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CANADA ENTERING UPON NEW PERIOD OF DEVELOPMENT

Huge Project Under Way for Exploitation of Natural Resources

POWER AND MINERALS

New Citizens Attracted and Work Provided — New Equipment Needed — New Sources of Profit

There is ample evidence of late that Canada is entering upon an era of expansive exploitation such as that through which we passed twenty years ago. Not since that time have there been so many large-scale efforts to develop our natural resources, especially in the North. Not at any time in our history has there been such concerted action to press into service the unexploited potential wealth of the country. This larger movement has a very definite bearing on the immediate trend of business.

Some months ago it was predicted in these columns that Canada was entering upon a period of development that would carry business to a much more active scale—that business here might easily reach the point where it would stand out in favorable contrast to slackened trade in the United States. The reference was to these long-swing movements such as are now being undertaken in all parts of Canada. The prediction has much more foundation to-day than when it was made. Already big operators in Florida and California are turning their attention to Canada as the centre of the next big development. The development is not just of the character they anticipated. It is a steady, sound movement rather than a localized boom. Already projects are under way for the development of our vast mineral and water power resources, and capital is being concentrated for this purpose. Dominion and provincial governments and private enterprises are sending out scouting parties in all the provinces, by airplane and otherwise, to explore the possibilities of more intensive development and of new industrial projects. The fringe of settlement is being pushed northward.

This expansive movement is not confined to any one section of Canada, but extends almost from coast to coast. On the Pacific Coast new interest is being aroused in the development of the northern districts, both for minerals, for power and pulp. The British Columbia government is now considering a project to have certain railways pushed farther north, to have the area they serve thrown open for settlement, and its resources exploited. United States capital is keenly interested in these developments.

On the prairies there are many similar developments. A party leaves Edmonton this week, by air, for the Barren Lands beyond Fort Smith to investigate mineral prospects. One of the large oil companies has leased a block of 34,000 acres nearer Lesser Slave Lake, and will commence drilling for oil shortly. Live prospects of oil in parts of Saskatchewan are also being investigated. The seriousness with which the West is urging the completion of the Hudson Bay Railway indicates faith that the line will open up a new and rich area, and will be of value in other directions.

The same movement is seen in all parts of the East especially in the form of mineral and power developments. Apart from the widely advertised new mining fields of Red Lake and Rouyn, there are many lesser mining operations recently commenced, and many power developments. The Ontario Department of Mines will send out eight exploration parties this summer to scout out new promising areas. The Quebec government is taking similar action, especially in the building of highways and railways to make the new gold fields more accessible. Quebec is making large strides also in new power developments. The provincial government has just authorized the Shawinigan Water and Power Company to construct a power line at a cost of some $6,000,000 from Quebec City to the Saguenay district. Somewhat more romatic is the exploration enterprise of a party from Quebec who have set out to investigate the power possibilities of the McLean Falls on the Hamilton River, Ungava Coast, a possible source of many times the power generated by Niagara. Many new power and other projects are being undertaken in the Maritime Provinces also.

These are merely a few examples of the large developments which are beginning to characterize the present as an era of great expansion in Canada. It is probably too soon yet for us to see their real significance—that they at the same time attract new settlers and provide employment for them—that they are attracting our temporarily absentee citizens from the United States—that they are putting new life into business and industry in Canada. Fortunately there is more capital available to carry on such development legitimately than at any time since the last big expansion period in Canada nearly two decades ago.

Bradshaw Sounds Note of Caution

Conditions are much better so far as the business of Massey-Harris Company is concerned, according to Thomas Bradshaw, general manager, who has recently returned from a tour of Western Canada. However, Mr. Bradshaw believes that optimism at the present time should be tempered with caution. "I do not think it wise to consider that we are as yet entirely out of the woods," he observed in discussing the situation.

The Canadian business of the company has been showing marked improvement. Following last year's good crop, collections improved and this season has seen more general buying of farm equipment. Looking forward, much depends on the new crop and prospects are good, particularly in the West.

Split in Shares of Penmans is Being Planned

From Our Own Correspondent.

MONTREAL.—The Financial Post learns from an authority said to be close to the management of Penman's that the company is at present considering plans to split the stock shortly. It is understood that these plans as at present constituted include the issuance of the remaining $349,400 common shares still held in the treasury. This stock would naturally be sold to the present shareholders at below prevailing market levels.

It is said that the present shares will then be split three for one, and that the new stock will carry dividends of 4 per cent. This would amount to an increase of 2 per cent. on the rate paid on the present stock, which is 8 per cent. plus a 2 cent. bonus.

Penman's has outstanding $2,000,000 in bonds. These are due November next; therefore, if the expected split in the stock be along these lines, it seems a reasonable assumption that it will be accomplished before the maturity date of the bonds. When such a split does take place, it will probably be accomplished by means of the sale of the old company to a new company bearing the same name. The preferred shareholders would exchange their stock share for share, whilst the common shareholders in the old company would turn in each of their shares for three of the new common.

Of course, if these plans are being formulated at the present time, they may undergo considerable modification at the hands of the management

Future Brighter for the Canadian Locomotive Co.

Replying to an inquiry by The Financial Post as to the present business and prospects of the Canadian Locomotive Company, Wm. Casey, vice-president and general manager, says:

At the moment we are very busy on recent orders received for locomotives from Canadian Pacific Railway. This work involves capacity operations well into September next.

The bulk of orders received earlier in the year from the Aluminum Company of Canada for their Arvida development have been completed. This work was of great assistance to us in building up our organization, which, during the slackness of 1925, had been considerably reduced.

We are being favored with inquiries for the various types of mining and smelter machinery which we manufacture, and are confident that in time this will develop into quite a volume of business.

It would seem with business conditions improving, as evidenced by the increased railway earnings, that the future for the locomotive industry is much brighter than for some time past.

Canada Landed Shares Have Eased Since Annual Meeting

About the time of the annual meeting of the Canada Landed and National Investment Co., when it was definitely reported that the Huron & Erie Mortgage Corporation had made a bid for the company on the basis of 110 for the $50 shares, the stock sold up as high as 100. Since the annual meeting the price has eased off; the last sale early in May was at 95 and the present quotation is 95 asked.

Although there have been no further negotiations since the annual meeting The Financial Post understands that the offer would be repeated with any assurance of a favorable reception.

Such a valuation as £10 indicates the very strong position which the company holds. The dividend rate is 10 per cent. with a bonus of 1 per cent. The company's assets are particularly strong in relation to earning power, which, as with all mortgage companies, has shown a tendency to decline in recent years because of the narrower margin between the rates paid for funds and by borrowers on loans.

"CEMENTS" SUBSIDIARIES DO WELL

MONTREAL.—Earnings of the Canada Cement's investment in gypsum, glass and plaster subsidiaries will, it is said, eventually be large enough to take care of the company's fixed charges and preferred dividend requirements. Should this take place, the company's earnings from its production of cement may eventually become entirely applicable to the common stock.

STEAMERS PLAN REORGANIZATION NOW MODIFIED

Further Participation in Possible Profits for Preferred Shareholders

The Canada Steamship Lines' directors have reached an understanding with the committee of preferred shareholders who did not approve of the terms of the offer recently made by the company. In lieu of their dividend arrears, the preferred shareholders, at the meeting to be held in June, will be asked to accept one and a fifth new shares of preferred stock for each share of stock now held. The participating feature of these new preferrred shares has been materially modified. They will carry cumulative dividends of 6 per cent. commencing Jan. 1, 1927. In addition they will receive an additional dividend of one per cent. when dividends up to, and including $3 per annum per share are paid on the common stock. the preferred will also receive a further additional dividend at the rate of one per cent. per annum at such time, and for such a period, as dividends in excess of $3 per annum per share may be paid on the common stock of the company.

The new preferred stock outstanding will amount to $15,000,000 and it will be callable in whole or part at $125. The modification of the terms of the offer is evidently satisfactory to the members of the preferred shareholders' protective committee which was recently formed and which submitted the claims of the preferred shareholders to President W. H. Coverdale, of the Canada Steamship Lines. Thus it may be anticipated that at the forthcoming meeting of preferred shareholders, the present terms will be accepted and the plan adopted.

Shareholders Protest

That the proposal for reorganization is far from satisfactory to some of the preferred shareholders is indicated by the following protest, issued by Edward Cronyn & Co., investment bankers:

To the Editor,
The Financial Post,

Dear Sir:

We do not think the financial press of Canada has taken the strong attitude that should have been taken against the proposed action of those in control of the Canada Steamships Company with regard to the preferred shareholders. If the solemn contract entered into by the company when it sold its shares to the

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Band of "Stock-switchers" Operating in Ontario

A number of high-pressure salesmen, generally referred to as "stock-switchers," are operating in Ontario. They are from across the line and have been making a set on holders of good bonds, trying to unload some questionable high interest bearing stocks. The attorney-general for Ontario has issued a warning to the public to beware of these operators. There are reports of some people already suffering heavy losses.

Automobile Insurance Rate War Grows Critical; Firms Courting Disaster

Unscientific Slashing of Rates for Automobile Insurance Proceeds Apace and Interests of Public Are Being Put in Jeopardy

The automobile insurance rate war becomes distinctly worse from week to week as new tactics are injected into the fight, and as the effects of some of the more recent competitive rates are felt. Insurance heads point with concern to the situation and predict disaster, claiming that 1926 will be the worst year in the business. Although many large companies, with large financial resources are engaged in the contest and while the public has nothing to fear from these, yet there are several of the smaller companies young and inexperienced, whose soundness is questioned.

The Financial Post is informed that competition between companies has become so keen that commissions paid to agents have been increased in some cases from 20 per cent. to 30 per cent., especially by those companies which have announced reductions much below the present reduced tariff schedule. It is quite natural to expect such an inducement to agents since their commissions would be greatly reduced if they sold insurance at a reduced premium.

"All Risks" Policies

Competition from the "all risks" type of policy too is becoming a factor. In considering these rates, some insurance men claim they sell very little to justify them. The grouping of hazards with a flat rate covering all hazards at a lower premium than if each hazard were covered separately is a practice becoming more evident. Yet many question the soundness of this method of arriving at rates. They are not based on experience; each hazard has a record in no relation to the other, and therefore cannot be grouped scientifically with another hazard. The setting up of a flat rate for all risks, while it may secure more business at a lower cost, is entirely arbitrary and is a purely competitive rate, according to one view. Those who hold it argue that it is a mistaken conception to imagine that lower costs of securing this new business would be sufficient to warrant these new lower rates on all risk policies. On the other hand, some companies argue that nearly all automobile insurance will in time be written on this full coverage basis.

True the public is getting the benefits of these reduced rates, but is it worth while? Are insurance companies making up for their losses in the automobile field by charging higher rates in other departments? Furthermore insurance companies are weakening the whole business by intensifying competition. The new competitive schedules then are not soundly based and in the long run are in nobody's interest; neither the company, the insurance agent, nor the public benefits.

Causes of Competition

There are approximately in Canada 105 companies competing for $4,000,000 worth of automobile insurance while in the State of Michigan there are about half as many companies competing for 10 times the amount of business. The Canadian field is admittedly a very competitive one. Where this rivalry will end and what it will come to nobody knows, but surely the time is at hand, saner minds argue, when insurance compan-

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Shawinigan Power Will Find Ready Sale for Energy

From Our Own Correspondent.

MONTREAL.—With the completion of the line connecting the Shawinigan Water and Power system with the Duke Price plant, the former will increase the amount of power which it has available for sale by between 15 and 20 per cent.; Shawinigan shareholders, therefore, may perhaps wonder just where the additional 100,000 h.p. will be sold.

In the first place, building the 150 mile line between the city of Quebec and Lake St. John will occupy many months—no railway serves the territory through which the line is to pass; consequently, before supplies can be placed along the route, a good road must be built through what in many places is either wild rocky country, or thick second growth forest. So that, at the earliest, it is thought that the line will not be completed until a year from this summer.

Many New Paper Mills

At the present time there are many new pulp mills projected in and around the city of Quebec—the Ste. Anne Company's, the St. Regis Company's and Lord Rothermere's mill to mention only three. Newsprint mills are large users of power. A production of one ton of newsprint daily requires on an average about 100 h.p. —a four hundred ton mill uses a continuous supply of 40,000 h.p.

So, with the development of the province of Quebec along industrial lines generally and the projected pulp and paper development in particular, it may be anticipated that the additional 100,000 h.p. will soon find a market. It is more than probable that some of the projected pulp mills will not be completed by the time Shawinigan is taking power from the Duke-Price plant; but the construction of these and other plants will require a supply of power.

Finally, there is no doubt that the management of Shawinigan has plans for expansion which, as yet, are undisclosed but which will undoubtedly serve to increase the total consumption of the company's energy.

Woods Manufacturing Showing Better Earnings

From Our Own Correspondent.

MONTREAL.—It is understood that the earnings of the Woods Manufacturing Company during the first four months of its present fiscal year are in excess of those in 1925. There appears nothing which would indicate a falling off of the company's sales between now and next December, and, therefore, it seems a safe assumption that the company will show earnings on the common stock in excess of the 4.6 per cent. earned last year.

Quebec Power Dividend Expected to Increase

From Our Own Correspondent.

MONTREAL.—Rumor has it that the dividend rate of the Quebec Power Company will be increased to 6 per cent. in the third quarter of this year. It is reported that the company has closed two large contracts for power; one with the St. Regis Paper Company at Cap Rouge, and the other with the Anglo-Canadian Pulp and Paper Company at Limoilou. However, it seems a more reasonable assumption that these contracts would go to the Shawinigan Water and Power Company, rather than to the subsidiary.

Brompton Shares Are Being "Tipped" to Rise

From Our Own Correspondent.

MONTREAL.—Apparently some tipsters are giving out hints that the stock of the Brompton Pulp and Paper Company is a good buy for a quick market turn. There seems no news which would account for any such action in the stock, but possibly those who are doing the tipping believe that they are in possession of some undisclosed news which would lead to its advance. Possibly it is felt that the company will eventually do some financing which will not only allow it to erect its new newsprint mill, but which would involve a deal of greater magnitude. However, those in touch with the operations of Brompton say that they know of no impending development which would warrant any particularly rapid market appreciation.

Canadian Printers Out of Jobs;

* * * * *

Mr. King Must Take the Blame

W. S. DOBBS, Superintendent of the Government Employment Service, in a report published this week, says there is plenty of work for all kinds of skilled labor, *excepting printers.*

Recently, it was stated that hundreds of Canadians in the printing industry had been compelled to move to the States to find work. It is said over 3,000 families are working in the States on printed matter intended for use in Canada. The paper on which much, if not nearly all of this is printed, was made from wood shipped from Canada, some of it rough, as logs, and some as pulp, but manufactured into paper in the United States.

For this unemployment, for this driving of thousands of Canadians from their homes for lack of work, the information at hand brings the responsibility right to the Prime Minister of Canada, Rt. Hon. W. L. M. King, personally, but not to the Liberal Party. It is his policy to have printed matter for Canadians prepared and printed in the United States.

Here is some evidence:

Last year two United States publishers—there may have been others—decided to print the editions for Canadian readers in Canada. They could get their complete edition printed in the United States in free of duty and sales taxes, but if they brought in the paper, ink, drawings, engravings, machinery, in order that the whole of the typographical and press work would be done in Canada by Canadian workmen, they would be compelled to pay thousands of dollars of duty and sales taxes. They thought this policy so extraordinary, so anti-Canadian, that they went to Ottawa. One, at least, is understood to have seen Mr. King. The other also saw the customs ministry. Mr. King told them what made them feel that it was his policy to discourage as far as possible the publishing of reading matter in Canada. It was pointed out by one of these publishers, with about 60,000 subscribers in this country, that in the item of postage alone Canada would be in thousands of dollars a year. At present, United States papers are carried free of postage in Canada as the result of a clever deal put over a former deputy at Ottawa by a clever United States agent. "We will carry your literature and advertising matter free in the United States if you carry ours free in Canada," was the agreement our simple deputy postmaster general made. But he overlooked the fact that the postage on the very little printed matter that goes from Canada to the States is but a few thousand dollars a year, while the postage which the United States Government collects for papers going into Canada now amounts to hundreds of thousands of dollars, and Canada is out of pocket.

Other ministers were seen by these publishers and tactfully expressed disagreement with Mr. King's policy, but said, in effect, he was head of the government and as he had strong views on that matter, they could not interfere.

No one doubts Mr. King's sincerity in these matters, but is it not possible he may be too generous in his views on literature and freedom of speech and not realize the dangers and disadvantages to Canada from his policy?

May he not, in fact, be putting himself in the position of Hon. Mr. Haldane and pre-war Germany and looking to the United States as his Kultural and Spiritual home?

While he is the dictator for the time being of the Liberal party, might he not consult his colleagues? The general impression is that they believe Canadian-born printers should not be compelled to emigrate to the States to find work. There is no doubt that Liberals and Progressives are just as loyal to Canadian interests as are the Conservatives.

TEXTILE TRADES PARALYZED BY TARIFF IMPASSE

Development is Impossible Because of the Uncertainty

MANY MILLS CLOSED

Others Which are Operating Are Not Making Money— Industry Needs Higher Protection to Maintain

By C. GORDON COCKSHUTT, President Canadian Woollen and Knit Goods Manufacturers Association at Annual Meeting.

An adjustment in the British preference and the favorable duties in favor of other countries in the interests of Canadian woollen and knit goods mills and the employees in the industry was asked by resolution passed at the annual meeting of the Canadian Woollen and Knit Goods Manufacturers' Association in Toronto this week.

Since we met together last year there has been a general election in which Canada unfortunately fell between two stools. If the country had spoken with a decisive voice either for a policy of free trade or a policy of full protection industry could immediately have laid its plans for the future. But the actual result leaves industry in Canada uncertain as to the fiscal policy which will be adopted from year to year, and the uncertainty makes it impossible for any constructive development. It is an uncertainty which is paralyzing. If the country had demanded that a policy of tariff for revenue only, which is actually free trade, be adopted, and it had been put into force, it would either have proved successful or conditions arising from it would have quickly provided the remedy, while if the policy of protection had been adopted and put into force its failure or success would have stabilized the fiscal policy of Canada for the next thirty years.

In spite of this uncertainty, Canada having rich soil and undeveloped natural resources, has improved its position during the past year in many ways; in agriculture owing to increased production together with increased prices, in mining owing to continued development, and in pulp and paper making owing to increased demand from foreign markets where the raw materials are not so plentiful. In short, we have gone ahead in those lines in which our natural resources are the most important factor and which are not directly dependent on the fiscal policy adopted by the country. Unfortunately, the woollen and knitting industry is one which, from its very nature, is the world over, dependent on tariff protection for its maintenance and expansion. Owing to the inadequacy of the tariff, during the past year there have been no adequate financial returns for the energy and courage displayed by the Canadians engaged in, and the Canadian capital employed in, our indus-

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"Beer" Shareholders Expect Frontenac Report

From Our Own Correspondent.

MONTREAL. — Shareholders of the National Breweries are awaiting with interest the forthcoming annual report of the Frontenac Breweries which will reveal the position of this subsidiary in which the parent company purchased a majority of the stock in order to put a stop to the beer "war" which last year worked such havoc in the industry generally.

Naturally, as far as earnings are concerned, the 1925 report of the Frontenac Breweries will prove disappointing, but the National Breweries' shareholders will be interested in sizing up the assets behind the issued stock of the subsidiary.

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The Trend of Business and Industry

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.

Manufacturers Lose Heavily on Costs of Distribution

Business Suffers Because Producers Often Do Not Know What Their Selling Costs Amount to

MANUFACTURERS frequently fail to distinguish between their manufacturing and their distribution costs. This makes it difficult to learn where the losses in distribution actually exist. But leading manufacturers state that there are such losses. We found in previous studies that there were distribution losses in wholesaling and retailing. The National Distribution Conference in Washington made a thorough study of the matter and found certain leaks which are common alike to the Canadian and American producer. This is a big factor in business to-day and is engaging the serious attention of the leading business minds throughout the country.

Every manufacturer has something to do with the process of distribution. Leading producers tell us that there are points at which losses in distribution are often incurred if care is not exercised to prevent and a knowledge of where these losses are is the first step towards checking them. One of the more glaring is loss through cancellations and returns, unwisely handled. Another is through the modern tendency of unreasonably small purchases by customers. Then some territories are served beyond the point where it is economically advisable, and overhead becomes too great. Other points at which losses are reported are excessive discounts, unusually long terms for payments granted to customers, and storage of goods manufactured under contract and held for future delivery subject to the requirements of the customer. All of these are worth considering separately.

While some firms build up their business on the motto "satisfaction or money returned," others find this motto a stumbling block, and failures have been attributed to it. For the most part there is a tendency to guard the privilege more carefully. Adherence by a manufacturer to a rigid policy of some sort with regard to cancellations and returns is essential to an intelligent sales policy. By not over-selling, the interest of the manufacturer as well as his customer is safeguarded. Unnecessary clerical work is eliminated. The return of goods in an unsalable condition, extra warehouse handling, duplicated transportation, and disputes are all eliminated or at least reduced. It is impossible to estimate even roughly, the burden which cancellations and returns place upon the cost of distribution. Only a few manufacturers approached had figured out the percentage of their costs which had to be attributed to this factor, but in all cases it was stated to be large.

Small Purchases by Customers

The period of rising prices through which we have been passing has encouraged a policy of hand-to-mouth buying which has proven rather costly to the manufacturer and the customer alike. Intensity of competition has led producers to promote such purchases, but the feeling is now general that the change is a larger one than was anticipated. There are indications that it has been overdone. In many cases it prevents mass production and thus adds to costs. It has necessitated general changes in production policies and these are costly. It necessitates more frequent delivery. On the other side of the balance there are economies in the new policy which will be dealt with separately, but at the initial stage this new type of merchandising involves new costs, and it is the opinion of industrial leaders that it will have to be carefully guarded.

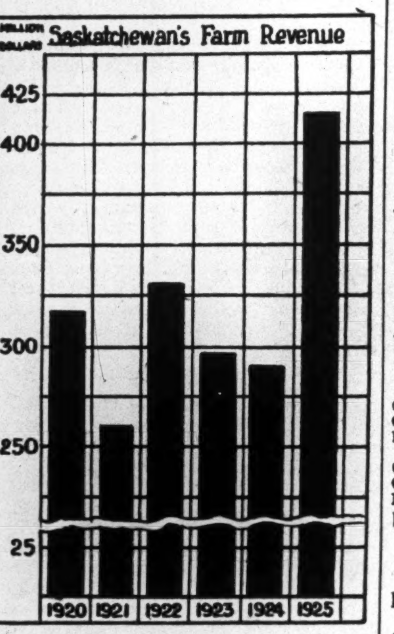
Carrying the same problem a step farther, the question arises with regard to how intensively a certain area may be economically developed. In one instance reported to the National Distribution Conference, nine-tenths of a manufacturer's business was done with one-half of his customers. The cost of doing business with the other half was therefore entirely out of proportion to the total costs. This is especially important in parts of Canada where customers are widely scattered—in a newly settled district, for example. In the latter case, of course, the question depends upon whether or not a manufacturer is willing to lose money in a certain section in order to gain a market. The trouble arises, however, from inability of the producer to say whether he is losing or making money in a given area. What is needed is intensive study along these lines.

In regard to excessive discounts and long terms of payments, it is futile to attempt to estimate how much is added to the cost of distribution in this way. One of the difficult tasks confronting manufacturers is to make their customers realize the necessity of adhering to discount dates. This is especially true when discount terms have been used as a price concession to their own customers. This too often adds collection and actuarial charges the magnitude of which is hard to estimate. The question, of course, involves the whole matter of instalment selling, the discussion of which will be left for separate treatment.

Much additional cost is involved also in the policy often demanded by customers, of having goods manufactured under contract, stored by the manufacturer for delivery when the customer is ready. This often involves the necessity of securing additional space at certain seasons that is not needed at other times. It is a privilege which is frequently abused, and is one of the points at which manufacturers often lose heavily. A study of this and the other factors mentioned would lead to material savings in distribution costs.

Saskatchewan's Farm Revenue Shows Fifty Per Cent. Increase

To have very substantially increased its buying power in the past year as a result of a fifty per cent. rise in farm revenue is the enviable record made by Saskatchewan. This brought the province close to a leading position in farm revenue, being exceeded only by Ontario, the leading agricultural province. The total value of farm output was $416,022,000 in comparison with Ontario's $477,159,000 and Saskatchewan's 1924 yield of $279,555,000.



This splendid showing gave Saskatchewan a good start on the 1926 crop in the way of furnishing funds for new machinery to press a larger acreage into service, and for building operations. Furthermore, it advertised the province favorably and Increased immigration is the result. A larger number of settlers came to Saskatchewan this spring than for some years, and larger population is helping to solve many problems, both provincial and municipal. All this has a definite bearing on business. In addition to the actual acreage increase, Saskatchewan has made a very favorable start this year in condition of the crops. The season was nearly two weeks earlier this year, and moisture conditions were such that the crops are now well above ground, and are in excellent condition.

Also in dairying, Saskatchewan has taken a big step in the past year. The 1925 dairy products were worth $21,348,000 against $17,566,000 in 1924. The province was exceeded in this only by Ontario and Quebec. Saskatchewan's butter and cheese are gaining a very enviable reputation in the leading markets. Total farm livestock during 1925 were valued at $134,608,000 against $124,546,000 in 1924. In this also the province was exceeded only by Ontario.

The rapid increase in automobiles is another index of Saskatchewan's progress. There were last year 79,078 cars registered, against 54,357 in Alberta, 51,241 in Manitoba and 56,618 in British Columbia. This places Saskatchewan third among the provinces in number of motor cars per hundred of the population.

In total production, Saskatchewan leads the other two prairie provinces by a wide margin. Last year's total revenue from all sources is estimated at $460,000,000, against $344,000,000 for Alberta and $250,000,000 for Manitoba.

The population of Saskatchewan is increasing rapidly. It is estimated to be now about 833,000, against 656,400 in Manitoba, and 651,700 in Alberta. In 1911 it followed Manitoba by a wide margin, and only slightly exceeded Alberta's population.

General business in Saskatchewan has improved almost relatively with the revenue increase. Debt liquidation is stated to have been well taken care of. The outlook for the coming months is equally as favorable as that in any other province.

Ten Per Cent. Rise in Freight Cars Loaded

A sharp upward turn in car loadings during the last two weeks has resulted in a ten per cent. rise in the total number of cars loaded and received from conections for the period from the beginning of the year up to May 15. While grain shipments have been a large factor in this, so also have shipments of merchandise, which latter indicates an upward trend in business. Merchandise shipments were 295,818 since the first of the year, against 282,143 for the same time last year. Forest products of all kinds showed an increase from 223,995 cars to 240,925, a larger increase than took place in the case of grain shipments.

For the week ended May 15, western Canada's car loadings increased from 14,167 last year to 20,866, while those in eastern Canada were 42,548, against 35,855 last year. There was thus a substantial increase in both east and west. The increase in grain shipments is due, of course, to the freer movement of navigation on the upper lakes.

Aluminum Company Has Started Huge Works

NEW YORK.—Extensive construction work on the huge power development and aluminum factories at Arvida and Chute a Caron, in the Lake St. John district of northern Quebec, is being planned, according to announcement by executives of the Aluminum Company. Two million dollars' worth of equipment for construction of the dams, canal and power plant at Chute a Caron has been prepared for shipment by the Quebec Development Company, which will build the plant.

Canadian Business Indicators

INDUSTRIAL

Car Loadings—

	1926	1925
Week May 15	63,414	50,022+26.7%
Year to date	1,055,995	977,008+ 8%

Grain Receipts—

Aug. 1 to May 14	345,265,061	234,961,036+46.9%

Building—

4 months	$41,018,738	$34,163,659+ 20%

Railway Earnings—

3 Months—	1926	1925
C. P. R.	$40,344,958	$ 36,614,770+10.1%
Oper. Exp.	33,813,891	32,759,089— 3.2%
Net	6,531,067	3,855,681+69.4%
3 Months—		
C. N. R.	$57,004,263	$51,436,454+10.8%
Oper. Exp.	49,866,376	48,916,204+ 1.9%
Net	7,137,887	2,520,250+183.2%

Pig Iron Output—(tons)

Apr., 1926	Mar., 1926
67,607	53,251+ 27%

FINANCIAL

Bank Clearings—

	1926	1925
April	$1,467,421,291	$1,277,909,528+14.8%

Savings Deposits—Chart. Banks—

March	$1,337,573,158	$1,266,231,798+ 5.6%

Current Loans—By Banks—

March	$900,379,266	$917,645,337— 1.8%

COMMERCIAL

Balance of Trade—

12 months, Mar. 31—	1926	1925
Exports	$1,315,192,791	$1,069,067,353+23.0%
Imports	927,323,625	796,932,537+16.3%
Balance	387,869,166	272,134,816+42.5%

Wheat, No. 1 Nor., Winnipeg—

1926	1925
May 22, $7.60	May (Av.) $7.48

Cattle—(Good, Toronto)

May 22, $7.60	May (Av.) $17.48

Hogs—(Select, Toronto)

May 22, $14.50	May (Av.) $12.58

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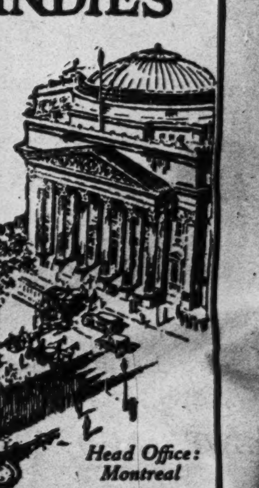
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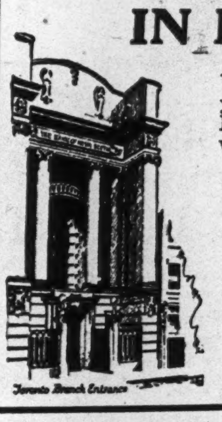
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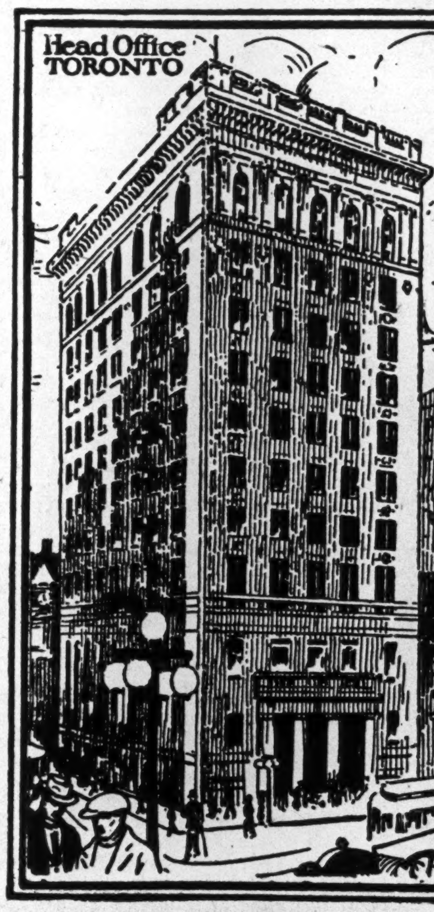

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Says People of Quebec Are Practical Protectionists

Leader of the French-Canadian Press Tells Manufacturers to Make Their Case With the Public Rather Than With Politicians

By L. J. TARTE,

President, La Patrie, Montreal, in addressing the Canadian Woolen and Knit Goods Manufacturers' Association.

It is very kind of you to have invited me to say a few words on your industry. Unfortunately not being a technician in woollens, I am forced to admit—bluntly—that I would have felt much more at ease had I been called to speak on a subject more pertaining to my particular sphere. And that is one reason why I expect your indulgence. It is not uncommon to think of newspapermen as living encyclopaedias; they cater to more than fifty-seven varieties of public taste, and one is quite easily led to believe that each and every gentleman of the press is a man universal. Alas, —or fortunately—it is not so. But, be it as it may, it is a fact that we, of the press, are perhaps in a better position to see what is going along. Our profession makes of all of us diligent students of public affairs. And this may explain to you why I do not intend to speak to-day as anything more than as a more observer. Leaving aside details, I would like to have a peep into the general situation of the country at large, and the particular position of my Province of Quebec.

We, of Quebec, do think—positively —that your industry, as all our national industries, needs both development and protection. Since 1894, I have been publishing a French-Canadian newspaper; in fact, I have the honor of being the actual dean of French-Canadian daily publishers. During all that course, the paper over which I preside never varied its views. We have written and preached time and again, unceasingly, for a united Canada, for the development of a spirit truly Canadian. We have pressed upon the powers that be the vital importance of protection of our home industries. And this we have done even though, at times, the Canadian consumer might have been, by this policy, in the necessity of paying a trifle more than the American consumer.

As a matter of fact, we all have to comply with the duty of self-sacrifice, when a national issue is at stake. And the reward comes very soon, because the general prosperity of the country follows. I think people must be taught a sense of national co-operation, of national unity, without which no country can remain solid and cohesive. And, as God has given us wonderful opportunities, it is our first duty not to shatter the work of His all powerful hands. There is not anything new in uttering the old motto: "Canada for Canadians" nor is there anything shocking to anyone in expressing the wish for an adequate protection for everything Canadian. And this brings me to another question.

Quebec for Protection

Is the Province of Quebec protectionist? Most decidedly. Politics—I speak for party politics—often play unhappy part in concealing important issues behind curtains of many colors. In spite of their last Octobor vote, our people are practical protectionists, and the general feeling stands for protection of our industries. By far the larger part of the crops we grow in Quebec are local consumption. How could this be marketed without industrial centres? Our farmer is well aware of the fact. You know we do not export cattle; in fact, a very peculiar condition is that our people purchase in your province of Ontario several thousand of cattle every year. On the other hand, our export of butter and cheese was considerable for some time during and after the war. But to-day, we are left with the British Isles as our only regular customers, since France and Belgium have been buying from us on a very reduced scale during the past years.

It would be no news to you if I repeated what has often been said of our Province of Quebec, that it is traditional and conservative in economics as well as in all of its social activities. Our people hate revolutions, be they economical. They stand for progress, but not for haphazard experiments. If their naturally protectionist sentiment could be educated, if politicians would change their tactics and quit the piffle and nonsense of declamation to replace it by facts, plain facts, it is quite probable that the protection issue would not be more discussed in Quebec than it is over the international border. It is to the plain people, not to the gentlemen in Ottawa, that the Canadian manufacturers ought to present their plea. A frank "exposé" of their needs, a demand for real and effective protection, based on figures, and scrapped of the generalities which convince nobody, should bring splendid results in the solid framing of a consistent public opinion—in our province, to say the least. Rhetoric and vague discourses on protection, protection and protection again, have proven their failure. What is worthy of protection and should be protected; how it should be, are things worth knowing by the electorate.

Educate the Public

And I am much pleased to see, gentlemen, that you have adopted the right tactics. Your industry suffers to a large extent from a lack of protection. And the capital point in the plea you are now laying before the country, is for your relief from the handicap which results from British preference. Who, in this country, can say you are wrong in asking for plain justice? Who would think of blaming you for efforts in trying to save a national industry? Not the people of Quebec, most assuredly. Your claims are based on the solid rock of facts, and no person in the world, not even the staunchest free-trader, has the least chance of throwing down the edifice of your statistics.

Allow me to mention a few figures picked from the inventory of the Canadian woollen industry:

In 1923, our 294 factories covering the wool, woollen and knit goods industry were capitalized at 88 million dollars and their output was valued 80 odd million dollars.

Last year, our imports of woollen goods amounted to $545,724,381, $30,919,680 of which were entered under the preferential tariff, $14,589,760 under the general tariff and an insignificant quantity of $224,941 under treaty tariff.

In 1922, the wool-clip in Canada was estimated at 18,532,000 lbs. While our imports of unmanufactured wool were 15,900,000 lbs. and our exports 8,100,000. The apparent consumption of wool in the country was therefore 26,289,000, and domestic production showed a shortage of nearly eight million pounds.

The sheep population in Canada stood at 2,705,390 in 1909; it reached 4,289,682 in 1918 under the impetus of the war, but has persistently decreased since as follows: 1921, 3,675,857; 1922, 3,263,525; 1923, 2,753,860; 1924, 2,684,743.

So that we have fewer sheep to-day than we had fifteen years ago. And that shows that sheep raising is not a paying proposition, unless herds have been depleted because of our fancy for spring lamb, with mint sauce!

Now, gentlemen, I claim that the above figures are sufficient evidence to prove your case.

Woollen Industry Fettered

Ever since the preferential tariff was enacted a quarter of a century ago, statistics will show that Canadian woollen industry, has been definitely fettered to almost complete impotence. Ever since, this country has imported by far the larger part of its woollen requirements, mostly from the United Kingdom, and a certain minor proportion from the United States.

Now consider our imports from the point of view of their origin. Roughly two-thirds of the total are purchased in the United Kingdom owing to the favorable tariff. If those British imports were replaced by Canadian products, it would mean for our factories—at least comparatively—quantity production and therefore lower cost, and that would mean that Canadian industry would probably be able to face competition of foreign countries and particularly of the American manufacturers.

I am not at all of opinion that in the long run, adequate protection afforded to that extent would in any way increase the price of woollen goods to the Canadian consumer. But quite possibly, retaining the local market to the local manufacturer would give the latter a chance to enter the foreign markets.

And this is what our aim should be. At present our exports of wool and wool products figure in our exports for a total of $2,599,679, but in this total, unmanufactured wool counts for $2,363,931 — leaving a trifling balance of about $200,000 for all lines of wool products. In the Trade and Commerce Reports, the table of our exports of wool manufactured goods is, in fact, practically a blank. And why should it be so? We have built a large cotton industry on imported raw material; it should be comparatively easy to build a large woollen industry on our own resources.

A Canadian Preference

As Mr. A. R. R. Jones wrote in a recent issue of Canadian Textile Journal, there is no doubt that the people of Canada would rather buy goods from Great Britain than from any other country in the world, but it would be too much to ask that Canada should continue to buy manufactured goods from Great Britain which can be manufactured in Canada when such purchases put out of employment Canadian workers. A preference we are quite willing to give Great Britain over all foreign competitors, but it would be overdoing even the Christian law of loving thy neighbor like thyself to stretch that preference to the detriment of our own country, of our own people.

And so the situation stands. You are quite ready to maintain British preference against all foreign countries, but not against your own. This moderate and reasonable protection should appeal to all Canadians. Unfortunately, politics have distorted even plain facts, not only in our province, yours or mine, but in mostly every province of Confederation.

May I humbly suggest that at least Quebec and Ontario work hand in hand? Much has been said on frictions and misunderstandings, much has been said also on "Bonne Entente." Goodwill and peace are of absolute necessity if we intend to make this country of ours what God designed it to be. I should venture to ask you, not to learn our French language—that would be too beautiful a dream —but only to try and know more about our people, its ideals and its needs. To those, in days gone-by, who wished to get rid of us, my father used to say: "All right; raise an army and come down on the shores of the St. Lawrence, and drown each and every French-Canadian. You won't get rid of them otherwise. They have been down there for three hundred years, and they don't intend to leave the country."

Allow me a digression. It is pertinent in this place. A Toronto business man wrote to me some time ago that he did not think it worth while advertising in Quebec because, as he put it, "French-Canadians are too thrifty." Just imagine a business man leaving aside such a field for a reason of this sort. I answered his letter by laying before his eyes the Quebec statistics on motor cars, pianos, radios, and gramophones. I told him—I should not bore you with figures—that out of a total of 115,000 automobiles registered on the date, more than 100,000 were owned by French-Canadians. I let him also know that three-fourths of the real estate in Montreal was in the hands of French Canadians. In fact, I concluded by plainly saying that our people were not thrifty enough.

This instance shows how sometimes people stick to superficial notions or preposterous arguments. Another point often brought forward is taken from wartime memories. These were troublesome days and petty politics played a shameful part in bittering the unavoidable differences of opinion. Abuse and misuse of politics will always estrange members of a family. I was not, and never have been, in politics. I took what was not, perhaps, the most popular stand, and I have always thought it to be the right one. And I still believe I was right. But my fellow-citizens who differed from me suffered many hardships; and this might explain to you partially, the reason of their lack of confidence in the sense of justice of many of their fellow-Canadians. It seems to me that bygones should be bygones, that right and good faith may have, from a different angle, a different face. Let the past bury its dead, we cannot quicken them anyway.

So let each of the two component races of the Canadian nation live in peace and harmony. We have been fed long enough on ramshacks. There is no superior race, but there are here two great civilizations, in fact, the most perfect Western civilizations; they have made Canada what it is, and by harmonizing, without confusion, their numerous advantages, shall we build up a nation different from any other in the world.

We are true Canadians, so are you. Our two provinces are the bulwark of British America. You know it and we do. Loyal Ontario and traditional Quebec want Canada to be a great country. Both provinces are duty bound to co-operate. And, by the way, let me tell you business men, that if you want to sell to the French-Canadian, you must touch him in French. It has happened, too often, unfortunately, that business literature coming from English-speaking Canada disgusted its reader, by the barbarity of its style. I think, for our mutual sake, that something could be improved in this respect. The language of our people is French, nothing else, no patois or dialect. Look at our newspapers and you will see. We are very proud of our French-Canadian press, as we are proud of our literature. And those of you who have heard our speakers in Parliament can say that there is not better French spoken than in our province. It may be just as good, it is not better, because there is only one French language in France and in New France.

We are knowing you every day a little better. Please do the same. Come to Quebec this summer. Do not stay in the cities alone but roam around our country villages, so quaint and picturesque. After all, I think our roads are greatly indebted to you for their present condition. Our government Liquor Commission is looking anxiously to what may happen in your province before long. Are you drifting towards the abyss of government control? I would not venture to answer. But, as things stand now, take advantage of the gratefulness of our Highway Department and come down there, on the roads built by the revenue of the Quebec Liquor Commission.

Private pilgrimages of "Bonne Entente" seem to me a lot better than political pow-wows.

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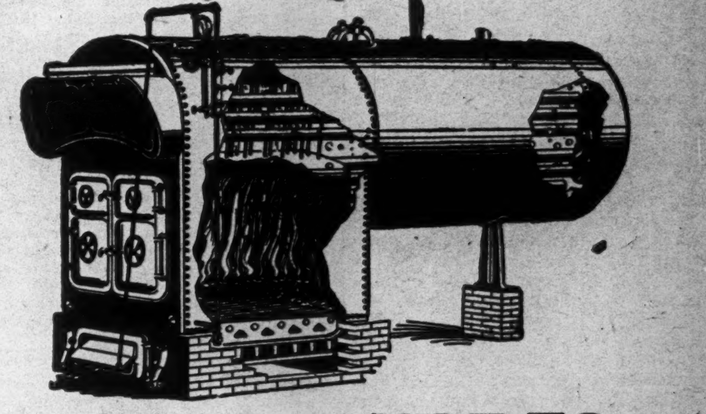

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TORONTO 2

The Securities Markets

CANADIAN MARKET MOVES UPWARD ON OWN INITIATIVE

Advance Evidently on Basis of Good Business Prospects

Market Indicator

	High	Low
20 Industrial Stocks		
Week of May 26	90.7	88.6
Week of May 19	90.0	88.2
Mth. of May, 1925	78.2	71.7
9 Bank Stocks		
Week of May 26	$222	$221
Week of May 19	222	221
Mth. of May, 1925	206	203
10 Public Utilities		
Week of May 26	92	91
Week of May 19	92	91
Mth. of May, 1925	85	81

Considering the approach of the usually quiet summer season the recent performances of the Canadian stock market have been very impressive. During the week the price changes have been very generally to higher levels. This has applied to practically all sections of the list with the exception of the electric railways. Bank stocks, the textiles, the power shares and the general industrials have developed considerable strength, as indicated by the following summary:

	Gains	Loss	Unch.	Ttl.
Banks	5	1	3	9
Paper	6	5	6	17
Steel	13	5	8	26
Foodstuffs	10	9	17	36
Utilities	8	3	15	26
Tractions	1	4	10	15
Textiles	4	1	8	13
Industrials	16	6	25	47
Totals	63	34	92	189

In the present advance movement the Canadian market gives indications of establishing values on its own initiative, after being for some weeks under the influence of the Wall Street depression. There has been some improvement in New York as well but Canadian securities have evidently gained strength because of the general satisfactory business situation in Canada which has been more generally appreciated in investment circles with the removal of outside influences of a depressing character, including the British strike and the Wall Street slump. There are no indications in Canada of that degree of uncertainty regarding the business conditions of the next few months in the United States. On the other side of the line there are fears of a slump in real estate, a curtailment in building and a further adjustment in the automobile and other industries where instalment selling has been a factor in establishing the recent great volume of sales. In Canada the recovery from the recent business depression had not been carried to the same extent and there are lacking the dangers of over-production referred to. Here the outlook is for a continuance of the present generally satisfactory business conditions until the prospects for the new crop take definite form. Another big crop would undoubtedly see a further expansion of trade. Thus far the crop outlook is quite satisfactory in Western Canada although the weather has been backward in some parts of the East. The strength which has recently developed in the bank stocks is regarded as an indication of the appreciation of sound business conditions and good prospects.

Although the Canadian market seems now to be forming its own judgments as to values on the basis of domestic conditions, the business situation in the United States cannot be altogether ignored in its influences in this country. There are some signs now of restored stability industrially at present levels but further contraction of activities in the second half of the year seems likely. As to whether the market has already discounted such a possibility is a matter of opinion, but to judge from the record of reactionary markets in the past the adjustment has not yet been carried to its low level. Against this are the absence of surplus stocks in the hands of manufacturers and dealers and the free supply of easy money.

National Cash Had Provided Against Loss on Remington Suit

In the face of a judgment holding that the National Cash Register Co. had infringed on 44 points patents owned by the Remington Cash Register Co., involving damages for losses sustained, the common shares of National Cash, recently distributed widely to investors in the United States and Canada, advanced sharply from 38 to 42.

The explanation given is that the judgment was anticipated and that, in fact, it does not involve as serious consequences financially as had been provided against. At the time of the issue it was stated that $5,000,000 had been set aside to take care of the litigation.

The decree directed that a special master be appointed to ascertain the amount of damages suffered by the Remington Co. The National Co. was under injunction restraining it from use of the patents and under bond of $250,000 to secure payment of loss suffered by the Remington Co.

Shortly after the decree of Judge Manton was announced the National Cash Register Co. announced that it had purchased from the Remington Cash Register Co. for $2,000,000 all the patents in litigation.

Industrial Alcohol Shares in Demand

From Our Own Correspondent.

MONTREAL.—There has been a considerable amount of trading in the shares of the Canadian Industrial Alcohol, and, as a consequence, the stock made a slight gain this week. During the first half of the current fiscal year earnings are higher than the level established in 1924-5.

The large floating supply of this stock doubtless accounts for the ease with which substantial buying orders are filled with but slight influence on the price.

The cause for the special demand for the stock at this time remains unexplained. Those who are credited with being in close touch with its affairs hint at some favorable developments within a week or two so that interest may be sustained until this news, whatever it may be, is ready for communication to the shareholders.

Smelters' Profits Cause of Much Conjecture

MONTREAL.—Dopesters with pen and pencil are spending many weary hours figuring out the anticipated profits of Consolidated "Smelters" for the half year ending June 30 next. Some estimates place the earnings, before taxes, at $9,000,000, as compared with over $13,000,000 for the whole of 1925. But such estimating usually proves futile, for the worried estimaters have not the necessary information upon which such forecasts may be based.

The report that net earnings for the first four months of the year approximated $7,000,000 has been neither confirmed nor denied. It is probable that official sources have not exact information on this point as yet. The prediction is made that the company will show $20,000,000 net earnings in 1926. If the present estimated rate of earning is maintained, this figure will not be difficult of attainment. There are metal markets and other factors, of course, to be considered in this connection. Shareholders are immediately concerned with what will develop at the next directors' meeting, and a bonus of $5 a share is the best guess at the moment.

The discovery of tin in commercial quantities in the ores of the Sullivan Mine, as referred to in an article elsewhere in this issue, is regarded as of first importance.

OTTAWA "POWER" EARNS MORE

MONTREAL.—It is understood that for the first four months of the present year the earnings, both gross and net, of the Ottawa Light, Heat and Power Company have shown a satisfactory increase as compared with the corresponding period of the preceding year.

C. P. R. IS BACK TO YEAR'S HIGH LEVEL

Recovers Impressively With New York Rails—Good Showing as to Earnings

Sharing in the strength of the rail shares in Wall Street, C. P. R. this week advanced impressively above 160 and practically duplicated its best showing for the year. The general movement is attributed to the favorable traffic reports for April. The recent showing of the Canadian Pacific has indicated a broadening of general traffic activities and this improvement should be sustained until the crop has advanced to a stage to indicate the harvest prospects. So far farming conditions in the West have been generally satisfactory although backward weather has been experienced in some parts of Eastern Canada.

For the first four months of this year Canadian Pacific's gross was at the highest figure since 1921, and the net earnings for the first quarter, after taxes, were the largest in nine years. Canadian Pacific shares are now selling at the highest point since 1919. In the first quarter Canadian Pacific's gross of $40,344,957 increased $3,730,187, or ten per cent. over 1925, and its net after taxes, of $6,531,066 was a gain of $2,675,385, or almost 70 per cent. In April of this year gross was $13,353,000, against $12,105,000 last year, an increase of ten per cent. For the first two weeks of May gross of $6,562,000 showed a gain of more than 15 per cent., compared with $5,671,000 in 1925. In the earlier months of the year there was a large increase in the grain movement, as compared with the previous year, but more recently there has been a substantial gain in the movement of coal and miscellaneous freight. Operating ratio for January was 86.5 per cent., against 95.4 last year, and in February comparison was 84.6 against 90.6.

Another factor in the strength of Canadian Pacific has been the further recovery of Consolidated Smelters to around 205. This compares with an extreme high of 247½ and the slump to 168. Prospects for some definite dividend action have again attracted speculative interest.

Consumers Glass Brings Profits to Canada Cement

From Our Own Correspondent.

MONTREAL.—The Consumers' Glass Company, a subsidiary of the Canada Cement Company, has, it is understood, secured sufficient business to keep its plant occupied at capacity until October. The company is turning out almost 100 tons of glass a day and has recently entered the manufacture of beer bottles. Thus, it is understood that the Consumers' Glass has successfully passed through the poor earning period which met it at its inception and has now become a real and profitable asset to "Cement."

Canadian Cottons Is Finding Trade Very Quiet

MONTREAL.—The current fiscal year of Canadian Cottons, Ltd., has not started out very well, A. O. Dawson, vice-president of the company, informed shareholders at their annual general meeting. Business has been very quiet and there has been a good deal of hand-to-mouth buying. A favorable factor in the situation, however, is that stocks on hand are very low, and if business improves a good demand should develop. While much depends on the kind of cotton crop the South will have this year. Mr. Dawson thought that if the current year turns out to be as good as the past year, shareholders should be satisfied. In any case the outlook at the present time is not as favorable as a year ago.

Work Begins on Two New Newsprint Mills

From Our Own Correspondent.

MONTREAL.—Construction work will commence shortly on two new newsprint mills in the province of Quebec. The first is the Ste. Anne Power and Paper Company, which before July 1 next will commence work on a 250-ton mill at Beaupre, P. Q. The new plant will cost some $4,000,000; J. T. Donohue, of Quebec, is the president of the company.

The second is Anglo-Canadian Pulp and Paper Company, of which Frank Clark is president, and which will let its first contracts on its large mill at Limoilou within the next few days. Newsprint from this plant will be shipped to England to supply the Rothermere papers. The pulpwood for the plant will be supplied by the Gulf Pulp Company. The whole project, it is said, will cost around $10,000,000.

Oil Shares' Advance a Feature of Market

Oil stocks have recently been in demand. Imperial Oil has sold up to 37. International Pete to 30. Whether the oils as a group are being groomed to lead the New York market in its next phase remains to be seen, but there is no dearth of bullish propaganda, and the oils are being generously tipped on all sides for higher prices. Constructive features in the oil situation may be briefly summarized: advancing prices for gasoline and oil; an enormous and constantly increasing consumption; the approach of the season of maximum consumption of the year, and the fact that while production of crude oil is showing its usual seasonal increase the daily average production is many thousands of barrels under the output for the like period of last year. The situation is regarded as sound from every angle, and, therefore, it is argued, the oil stocks should respond.

The two Canadian companies above referred to have points of strength in addition to the several general features outlined. The Andean pipe line was completed in April, and is now available for service. International Pete's earnings should be doubled practically over night. The company has been waiting for years for the situation which is now at hand, and Imperial Oil, of course, shares in the progress of International Petroleum on account of its large and controlling share interest. Furthermore, it is assured of ample crude oil for its refining operations, should other sources fail.

BATHURST COMPANY EARNINGS IMPROVE

First Four Months of 1925 Show Larger Profits

From Our Own Correspondent.

MONTREAL.—Both the gross and the net earnings of the Bathurst Company during the first four months of this year show a substantial increase when compared with the first four months of 1925. The improvement, of course, was expected, for it will be remembered that until the end of April last year, the market for chemical pulps was decidedly sluggish with prices correspondingly low. Naturally, therefore, although the improvement in earnings has been of a decided character during this year, it can not be anticipated that the remaining eight months will show a proportionate increase, for during the last eight months of 1925 there was a decided increase in the market price of chemical pulps.

Diversified Output

The Bathurst Company's daily output consists of 50 tons of sulphite, 50 tons of kraft and 60 tons of newsprint plus a small surplus of groundwood pulp. In addition, it derives some of its revenues from the sale of timber and the sale of surplus power. This year all sources of revenue except newsprint have shown an increase; and in the case of the latter, the drop in the earnings is not as proportionately large as the $5 cut per ton in the price of newsprint which went into effect at the beginning of the year.

In 1923 the company entered the newsprint business; for the next two years, the revenues from this end of the business served in a measure, to offset the lowered earnings from production of chemical pulps; to-day, with the lower price of newsprint and the higher prices at which sulphite and kraft pulps find a market, the reverse is the case. The varied output appears to have worked out well.

As a result of the increased earnings, the liquid position has undergone a decided improvement and The Financial Post learns that the company's working capital has increased by no inconsiderable sum.

Asbestos Exports Larger in Quantity and Value

MONTREAL.—Shareholders in the Asbestos Corporation will be interested in the imports of Canadian asbestos into the United States which, during the month of February last, amounted to 18,316 tons, as compared with 15,049 tons in February, 1925. In view of the changed conditions prevailing in the asbestos industry in this country, it is interesting to note also that the average value of the American imports of asbestos during the month moved upward from $30 a ton last year to $33 this year.

HARNESSING The RIVERS of the NORTH BENEFITS the NATION

Canada is a country of self reliant people. The pioneering spirit is yet alive. The will to go forward is a dominant national trait, as is evidenced by the rapid development taking place in the North.

Our prospectors, surveyors, lumbermen and farmers, with the spirit that urged Chapdelaine pere to move on further into the wilderness, were the first to discover the gold, silver, nickel, copper, timber and water power resources of the North.

Since then the mining and pulp and paper industries have grown mighty. Front rank position in nickel and newsprint, third place in gold—although the industry is only in its infancy—well up in silver, and now the great copper deposits of Northern Quebec are about to be uncovered.

Hand in hand with these mining and forest industries goes another great northern development—that of water power. More than any other factor it has made possible the growth of the newsprint and pulp industry and the speeding up of mineral production. Hundreds of millions of dollars are being expended in the North because of the abundance of economical and dependable water power.

Canadians are very largely furnishing the energy, the initiative, the effort, and the accumulated capital, that is to-day developing the natural resources of the North, particularly that of the water power industry, and in so doing they are not only helping themselves but are also helping to build up the country.

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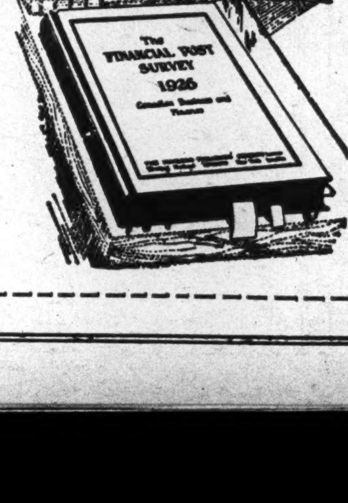

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Iron and Steel

STEEL MILLS ASK THEY BE NOT MADE PROTECTION GOAT

Blow From Each Tariff Cut Eventually Passed to Them

OTTAWA.—Canada has been getting ample demonstration that the tariff battleground is not the only scene of skirmishing between different sections in Canada, but between industry and industry.

In the automobile industry, there has been some inclination for different classes of producers to seek protection for their own branches of the industry at the expense of others.

The steel industry in Canada is one of the important industries that has been made the goat to absorb the force of the blows that have fallen upon other industries. When the tariff has been cut upon some manufactured commodity, successive governments have shown a tendency to relieve the producers of that commodity by cutting the tariff on their raw materials, not always considering that their raw materials are the finished products of other manufacturers. So the buck has been passed and as the steel manufacturers are at the end of the line, and are the primary producers they have felt blow after blow until now such concerns as Algoma Steel, British Empire Steel and the certain departments of Steel Company of Canada have been put in very serious condition.

Case for Algoma Steel

These facts were brought out when the first two steel companies mentioned placed their cases for greater protection before the new tariff commission. Both the Algoma Steel and Besco in their briefs made it clear that one of their problems is that of meeting the competition of foreign made steel that is imported into Canada to be used as the raw material of manufacturers who enjoy protection on their finished products.

Algoma Steel Corporation's case was brief and to the point. Canadian iron and steel producers, it was pointed out, are faced with relatively higher costs of raw materials, labor or transportation to consuming markets than are foreign competitors. It was compelled to pay higher prices for ore, fuel, etc., than competitive plants. Labor cost was much higher than in Europe. Freight from Europe to Montreal was approximately the same as from Hamilton to Montreal, and from $2 to $4 per ton less than from the Soo to Montreal. On the other hand, freight rates from leading producing centres in the States to Central Ontario were much less than from Sault Ste. Marie. This point was stressed particularly as it had a distinct bearing on the question of tariffs. The higher freight rates often offset whatever advantage came from the tariff.

Another claim put forth was that the industry is entitled to better protection because of the necessity for frequent mill roll changes owing to the diversified demand. This added to the cost.

No Justification for Drawback

The memorandum next quoted tariff item 1007, section B, providing for a 99 per cent. drawback on flat spring steel, steel billets and steel axle bars when used in the making of springs and axles for vehicles. There was no justification for allowing spring steel or axle steel bars for automobiles to be imported from foreign sources at 99 per cent. rebate. It was suggested that these brands of steel products should become dutiable when used for springs and axles for railway, tramway or motor vehicles. The drawback would apply to all implements of agriculture. Emphasis was laid on the fact that the automobile industry being protected, itself should pay duty on the items upon which the Canadian steel trade was seeking business.

It was suggested that steel in all its forms and shapes and by whatever process, or regardless of its content, be subject to a 35 per cent. ad valorem duty. On structural steel a higher duty was sought, but the amount of it was not suggested. As to pig iron, it was suggested that on imports from the States the duty be increased from $2.50 to $5 per net ton. On billet blooms and slabs an increase from $2.50 to $7 was proposed.

Besco President's Claim

Roy Wolvin, president of the British Empire Steel Corporation, made three main points:

"(1) The present duties applying on pig iron and steel products imported from countries whose currency is depreciated allow the importation of these products at a price which is much less in many cases than the manufacturing costs in Canada. This condition for some years has been destroying the steel industry of Nova Scotia, and requires immediate adjustment.

"(2) The present specific duties on steel were applied in 1907 when the cost of production was very much lower than at the present time. These specific duties should be adjusted so as to give them the same or greater ad valorem effect as when enacted. Failure during the past few years to make these adjustments has had a serious result to the semi-finished steel manufactured in Nova Scotia.

"(3) The following steel products are now allowed into Canada free of duty: Barbed wire of 9, 12 and 13 gauge for fence making; pig iron for most agricultural implements; used rails for re-rolling into reinforcing steel, bed slats, etc.; rolled steel for most agricultural implements; bright wire, 10, 11, 12 and 13 gauge, for springs and mattresses; and many other products. A continuance, it was suggested, would endanger the possible future of steel production in Nova Scotia."

Fairbanks-Morse Co. Position is Improving

From Our Own Correspondent.

MONTREAL.—Sales of the Canadian Fairbanks-Morse Company during the first quarter of 1926 were greater than the corresponding period of 1925; it is understood, moreover, that earnings have alse moved upward. The company's position is understood to be improving slowly.

Last year the company earned 8.17 per cent. on its preferred stock, so that, provided the improvement be maintained during the next eight or nine months, the position of the preferred shareholders, whose dividends are in arrears since January 15, 1924, should be materially bettered.

Attendu Engines Will Operate on Royalties

From Our Own Correspondent.

MONTREAL. — The management of Attendu Engines has forwarded a balance sheet of the company as at May 21, 1926, to the shareholders which shows liquid assets of some $400,000 and no current liabilities. It is noted that the rights to subscribe to 13,000 shares at $2.50 per share were issued to A. C. Attendu and that these are outstanding.

In his letter to the shareholders, C. G. Greenshields, K.C., says in part as follows:

"All adjustments in connection with the acquisition by your company of the assets of Eastern Engineering Co., have been completed and your directors have pleasure in submitting a balance sheet showing the position of your company's affairs as at the 21st day of May, 1926.

"In order to place your company in a satisfactory financial position a portion of the remaining balance of treasury shares were sold. This resulted in the strong liquid position shown in the balance sheet.

"It will be the policy of your directors that no more of your company's resources will be used for additional development work. Tests made on engines already built have demonstrated the Attendu principle, and it appears now to be a question of proceeding with its commercial application. All expenses in this connection should be borne by licenses.

"The outstanding development since your company acquired the Attendu patents was the announcement by the navy department of the United States that it was proposed to develop heavy oil engines utilizing the Attendu principle for use in two dirigibles. This statement was issued to the press on April 20 last, and in view of its great interest to the shareholders of this company, a copy is enclosed.

"Negotiations are pending with manufacturers in the U.S. and Europe for licenses to produce engines commercially for use in industrial fields.

"Your directors desire to express their appreciation of the valuable services rendered to your company by its consulting engineer, Mr. A. C. Attendu, in building the aviation engine and successfully demonstrating it at the U.S. navy yards in Philadelphia."

Stock Market Record

WEEK ENDING MAY 25

	Div. Rate	Yield May 22	High for wk.	Low for wk.	Close May 25	Close May 18	Sales for wk.	Range, 1926 High	Range, 1926 Low
Banks—									
Commerce	12+1	5.96	218½	216⅝	218	217½	59	226	214
Dominion	12+1	6.15	212	210	210	210	75	219	210
Can. Nationale	10	6.36	157	157	157	157	22	170	157
Imperial	12+1	6.30	207	206½	207	205½	67	215½	200
Montreal	12+2	5.38	262	260	262	260	95	263½	251½
Nova Scotia	16	5.58	286	286	286	285	14	300	281
Royal	12+2	5.62	250	248½	250	249½	98	255⅛	248
Standard	12	6.09	197	197	197	197⅛	2	200	195
Toronto	12	5.63	213	213	213	213	67	222	213
Paper—									
Abitibi, com. (no par)	4	5.53	72¼	70¼	72	71¼	1325	85½	70¼
Do. pref.	7	6.42	109	109	109	109	3	116	109
Abitibi, com. (new)	.	...	..	...	...	...	...	22	22
Do. pref. (new)	.	...	..	...	...	...	...	68¼	68¼
Belgo-Can. com.	6	6.00	..	...	...	...	...	100	100
Do. pref.	7	7.17	97⅞	97½	97½	97½	100	101	95¾
Brompton (no par)	.	...	28½	27½	28	29	1926	35¼	26
Laurentide	6	7.18	84	81½	84	83	1702	93½	81½
Price Bros. com.	2	3.03	66	65½	66	68	235	72	57
Do. pref.	6½	6.56	99	99	99	97½	36	100	95
Prov. Paper, com.	6+1	6.79	103	103	103	102	2	104	100
Do. pref.	7	6.76	..	...	...	...	...	104½	100
Smith, Howard, com.	.	....	44	43	44	43	...	54½	38
Do. pref.	8	8.42	96	95	95	96	80	101	92¾
Span. River, com.	7	7.14	98½	96½	98½	98	717	100	96½
Do. pref.	7	6.42	109	108	108¾	109	217	119	108
St. Maurice Paper	6	5.66	..	...	...	...	...	106	104½
Wayagamack	.	...	56	56	56	57	125	83	56
Steel and Steel Industries—									
B.E. Steel, com.	.	...	¾	¾	¾	1¼	10	3½	½
Do. 1st pref.	.	...	15½	13	13	14½	210	30	11½
Do. 2nd pref.	.	...	3⅝	3¼	3⅜	3¼	660	10¾	2¼
Can. Car & Found. com.	.	...	37½	37½	37½	39⅞	10	49	33
Do. pref.	7	8.75	80	79½	79½	79	25	85¾	73
Can. Fairbanks, pref.	.	...	..	...	...	...	...	60	60
Can. Gen. Elec. (par $50)	.	...	..	...	...	...	...	51	47
Do. pref. (par $50)	7	6.36	55	54½	55	54⅞	433	60	54½
Can. Locomotive	.	...	35	35	35	40	5	42	35
Do. pref.	7	8.43	83	83	83	84	10	89½	73
Can. Iron, com.	.	...	..	...	...	...	...	10	10
Do. pref.	.	...	..	...	...	...	...	42	39
Dominion Coal	.	...	50⅛	50	50⅛	50	30	52	40½
Dominion Iron, pref.	.	...	..	...	...	...	...	24¾	7
Dominion Bridge	4	4.23	95¼	94½	95¼	94	110	99½	80
Dom. Radiator, pref.	7	6.86	102	102	102	101½	30	103½	101½
Dom. Steel Corp., pref.	.	...	12	12	12	11½	50	25	10⅝
Ford Motor	10	...	..	...	...	...	...	622	500
Massey-Harris, com.	.	...	52½	48½	52	48½	412	60	40
Do. pref.	7	7.38	94⅞	94½	94¾	94	140	97	93
N.S. Steel, pref.	.	...	..	...	...	...	...	25	25
Ontario Steel, com.	4	5.59	71½	71	71½	68	35	76	60
Do. pref.	7	7.14	98	98	98	102	135	102	100
Russell Motor, com.	.	...	..	...	...	...	...	42	39
Do. pref.	7	8.97	..	...	...	...	...	80	76
Sawyer-Massey, pref.	.	...	..	...	...	...	...	13	5
Steel of Can., com.	7	6.91	102½	99½	102½	100	2004	106½	95⅛
Do. pref.	7	6.11	115	114	114½	114½	176	118½	114
McKinnon Ind. c. (no par)	.	...	..	...	...	...	...	26½	15
Do. pref.	7	7.86	89	89	89	88	70	92	88
Milling and Foodstuffs—									
Arnolds, com.	.	...	23	20½	23	21¾	208	23	18
Do. pref.	7	7.73	..	...	...	...	...	91½	89½
Atlantic Sugar, com.	.	...	23	22	22	22¾	250	33⅞	21½
Do. pref.	.	...	..	...	...	...	...	88	75
B.C. Fishing	5	7.69	65¼	64	65¼	64	305	75¼	57¼
Can. Bread, com. (no par)	.	...	69⅜	67	69⅜	67	440	69¼	53
Do. pref. (A)	7	6.54	107	107	107	107	5	110	105
Do. pref. (B)	7	7.10	98¾	98	98	98	35	98¾	96¼
Can. Bak., com. (no par)	.	...	28	28	28	26½	5	36½	26½
Do. pref.	7	7.40	95	94½	94⅞	94½	45	98½	92⅞
Can. Canners, com.	.	...	13½	12½	13	13	90	15	12½
Do. pref.	1	...	63¾	62¾	63	62¾	414½	67¾	60
Canadian Salt	8	6.06	..	...	...	...	...	145	130
Christie Bis, c. (no par)	.	...	..	...	...	...	...	63½	44¾
City Dairy, com. (no par)	12	4.41	69	68	69	68	90	81	67
Do. pref.	7	6.54	..	...	...	...	...	112	107
Cuban Can. Sugar, com.	.	...	..	...	...	...	...	5	3
Do. pref.	.	...	22	21½	21½	22	80	28	21½
Dom. St. c (no par 60c)	.	...	58½	58½	58½	57½	20	68	56
Do. pref. ...7	8	6.95	..	...	...	...	...	116	106
Wm. Davies (A) (no par)	.	...	30	30	30	30	100	37½	30
Inter. Milling, pref.	7	6.93	101	100½	101	101	10	105¼	100
Lake of Woods, com.	12	8.33	145	144	144	145	60	175	139
Do. pref.	7	6.06	115½	115½	115½	117	20	117	115
Maple Leaf Mill., com.	.	...	60½	60⅛	60⅛	60½	185	88	50⅛
Do. pref.	7	7 36	95	92	92	94	11	102	94
Ogilvie Flour, com.	5	2.90	172	172	172	172	10	200	165½
Do. pref.	7	5.98	117	117	117	118	15	125	117
Pure Gold Mfg. (no p) 50c	.	...	..	...	...	...	...	23½	20
Shredded Wheat	10	5.31	188	188	188	190	15	218	169½
St. Law. Flour, com.	.	...	36	36	36	36	35	45	28
Do. pref.	7	8.53	..	...	...	...	...	84	82
Viau Bis., com.	.	...	26	25⅜	25¾	25	585	26	18
Do. pref.	7	...	86	86	86	87	3	89	87
West. Can. Flour	8	8.00	..	...	...	...	...	115½	110
West. Grocers, com.	.	...	4½	4	4½	4	35	13¼	4
Do. pref.	.	...	51	50	51	51	2	64	49
Utilities—									
Bell Telephone	8	5.90	136	135	135¼	136	268	141	131
Consumers' Gas	10	5.76	174¾	172	172	175	58	183⅞	172
Int. Util. (A) (no par)	87¼	...	..	...	...	...	...	38½	32½
Do (B) (no par)	.	...	..	...	...	...	...	9¼	7½
Consumers' Gas (rights)	.	...	4.10	3.90	4.04	4.00	4325	4.85	3.90
Cedar Rapids	3	...	..	...	...	...	...	40	40
East. Koot. Power	.	...	..	...	...	...	...	32	25
Jamaica Pub. Ser. pref.	7	7.12	99	98	98	98	85	99	96¼
Laurentide Power	5	4.76	..	...	...	...	...	110	105
Mackay, com.	7	5.36	131	130	130½	129½	187	132	105
Do. pref.	4	5.67	70⅞	70	70⅝	70½	135	73½	68¾
Mexican Light, com.	.	...	..	...	...	...	...	31	29
Do. pref.	.	...	..	...	...	...	...	75	64
Mont. L. H. & Pr. Cons.	8	3.58	224	223	223½	223	1447	230	209
Mont. Teleg. (par $40)	8	6.63	..	...	...	...	...	51½	48¼
Ottawa L. H. & Pr. com.	6	6.15	97⅝	97⅝	97⅝	97⅝	7	100	97½
Do. pref.	6½	6.37	102	102	102	102½	15	105¼	102
Quebec Power, com.	5	4.16	120	119	120	119	34	125	113
Do. pref.	7	6.25	112	111	111	111	10	116	109½
Shawinigan	8	4.41	181½	180	180	180	313	191	167½
South. Can. Pr., com.	2.00	2.24	89	89	89	89	238	90½	83
Do. pref.	6	5.97	100½	100¼	100½	100½	17	101½	100
Do. (rights)	.	...	..	...	...	...	...	2	1¾
Northern Mexico Pr.	.	...	..	...	...	...	...	47	42
Transportation—									
Can. Pacific Rly.	10	6.25	162	159	162	157½	419	163	147
Can. Steamships, com.	.	...	19	18½	18¾	18½	630	20	11
Do. pref.	.	...	73¼	70	72	68¾	9338	73¼	56
Do. Voting	.	...	18½	18½	18½	18½	250	19	11
Tractions—									
Barcelona (par $50)	.	...	..	...	...	...	...	29	26
Brazilian, com.	5	5.22	96¼	94	96	95	12241	98½	80
Do. pref.	6	5.94	101	100½	101	101	20	102½	97½
Detroit Un. Rly.	.	...	..	...	...	...	...	3½	2
Duluth-Superior	.	...	32	31⅞	31⅞	32¼	105	32¼	25
Illinois Traction, pref.	6	6.23	..	...	...	...	...	96¼	96¼
Montreal Trams.	10	6.06	165	165	165	165	20	178	159
Ottawa Traction	4+1	8.06	62	62	62	63	25	65¾	62
Porto Rico Rlys., com.	.	...	..	...	...	...	...	47	40
Do. pref.	7	8.04	87	86½	86½	88	50	91	87
Quebec Rly.	.	...	..	...	...	...	...	26¾	26
Twin City, com.	5	6.92	72½	71	72	72½	225	79½	68¼
Do. pref.	7	6.84	..	...	...	...	...	103	102½
Winnipeg Elec., com.	1	...	47	47	47	47	415	54⅝	45¼
Do. pref.	7	7.21	97	96	97	97	55	100½	95
Textiles—									
Can. Conn. Cotton, pref.	4	9.75	..	...	...	...	...	49	41
Can. Converters	7	7.77	90	90	90	90	60	94	90
Can. Cotton, com.	8	6.95	115	115	115	115	5	124	115
Do. pref.	6	6.25	96	95	95	96	30	99½	95
Can. Woollens, com.	.	...	..	...	...	...	...	8	5
Do. pref.	.	...	50	48	50	45	310	50	45
Dom. Textile, com.	5	5.43	92	90¾	92	91	545	99⅛	89
Do. pref.	7	6.08	116	116	116	115	11	122	115
Monarch Knit., pref.	4	[illegible]	..	...	...	...	...	50	45
Montreal Cottons, com.	6	5.82	..	...	...	...	...	105	102
Do. pref.	7	6.30	..	...	...	...	...	115	112
Penmans, com.	8	4.37	184	183	184	180	140	190	173
Do., pref.	6	5.88	..	...	...	...	...	104½	102
Wabasso Cotton	4	6.55	..	...	...	...	...	65	61
General Industrials—									
Amer. Salesbk. c. (par $20)	4	6.86	56	55	55	58	45	70	55
Do. pref.	7	7.40	95	94½	95	96½	19	98	92
Asbestos Corp., com.	6	5.45	110	104	110	103	216	110	89
Do. pref.	6	4.69	128	127¾	128	124	23	128	109
Do. com. (new)	.	...	24½	22¾	24	23¼	2925	24½	17¾
Do. pref. (new)	.	...	76¾	72	76¾	72	3208	76¾	62
Building Products, pref.	7	8.18	..	...	...	...	...	87	85¼
Brantford Cordage, pref.	8	7.76	26	25⅝	26	25⅝	150	27½	25⅝
Burt, F. N., c. (par $25)	12	5.66	53	52	53	51¼	32	67	50
Canada Cement, com.	6	6.06	99	98	99	98¾	704	111½	98
Do. pref.	7	6.16	113½	113	113¼	113¼	390	120	112¼
Cons. Rubber, pref.	7	8.00	..	...	...	...	...	87½	86½
Can. Ind. Alco. (no par)	1.28	7.53	20	17	19½	17⅛	11558	20	16¼
Crow's Nest Coal	6	9.83	..	...	...	...	...	85	51
Dom. Glass, com.	7	7.36	95	94	95	95	135	105	85
Do. pref.	7	6.57	106½	106½	106½	106⅜	15	111	106
East. Theat. c. (par $25)	.	...	25	24½	25	25	27	25¼	18¾
Do. pref.	7	7.88	..	...	...	...	...	90	83
Fam. Play., com.	.	...	..	...	...	...	...	18½	12
Do. pref.	8	8.81	90¾	90¼	90½	90½	75	94¼	90
Kelvinator, com. (no par)	.	...	20	19⅛	19½	19½	325	20¼	15
Do. pref.	7	7.62	92	91	92	91	66	93⅞	90½
Gilman, com.	6	5.55	..	...	...	...	...	108	104½
Do. pref.	7	6.03	..	...	...	...	...	116½	113½
Goodyear Tire, pref.	7	7.69	91	90¾	90¾	92	37	97	85
Holt, Renfrew, pref.	7	7.95	..	...	...	...	...	90	85½
King Ed. Hotel	.	...	..	...	...	...	...	41	25
Lyall Construction	.	...	47½	44	46¼	47⅝	1681	48	20
Nat. Brew., c. (par $25)	4	6.72	59½	59	59½	59	755	69	56
Do. pref.	7	6.54	..	...	...	...	...	110	106
National Brick, com.	.	...	..	...	...	...	...	12½	10
Do. pref.	7	11.47	61	60	60	61¾	150	72	60
Pacific Burt, com.	6	6.31	..	...	...	...	...	110	90
Do. pref.	7	6.60	106	106	106	104	5	110	102
Port Hope San., com.	¾	3.48	..	...	...	...	...	88	74½
Do. pref.	7	6.71	..	...	...	...	...	105	99
Rogers, Wm., com.	.	...	51	50¾	51	50	115	67	45
Do. pref.	7	7.29	96	95½	96	96	7	97	90
Sher.-Williams, com.	6	4.58	131	128	128¼	128	85	135	125
Do. pref.	7	6.19	113	113	113	113	21	114	110½
Sterling Coal	4	10.25	39	39	39	39	10	43	37
Tooke Bros., com.	.	...	..	...	...	...	...	8	8
Do. pref.	.	...	..	...	...	...	...	60	55
Tuckett Tobacco, com.	4	6.45	62	62	62	65	10	65	61¾
Do. pref.	7	6.93	..	...	...	...	...	105	100
Woods Mfg., com.	.	...	47	45	47	45	653	47	38
Do. pref.	7	7.77	90	86	90	85	15	90	77¾
Trust and Loan—									
Central Canada	12	5.71	..	...	...	...	...	210	210
Canada Landed (par $50)	10+1	5.78	..	...	...	...	...	100	95
Can. Permanent	12	5.76	208	207	207	208	55	208½	202½
Colonial Invest. (par $10)	6	...	6¼	6¼	6¼	6	18	6½	4
Hamilton Prov.	10	6.36	..	...	...	...	...	157	157
Huron & Erie	7+½	5.66	..	...	...	...	...	132½	127½
Landed Banking	9	6.00	..	...	...	...	...	150	150
Montreal Loan (par $50)	12+1	6.50	..	...	...	...	...	50	50
National Trust	12	5.00	..	...	...	...	...	245	235
Ontario Loan (par $50)	11	5.28	..	...	...	...	...	106	103½
Real Estate Loan	7	8.23	..	...	...	...	...	106	103½
Toronto Gen. Trusts	12	5.33	225	225	225	221	20	225	220
Toronto Mtge. (par $50)	10+1	5.55	..	...	...	...	...	99	93½
Union Trust	7	7.14	..	...	...	...	...	101	98
THE CURB MARKET									
Andes Pete	.	...	..	...	...	...	...	6⅝	6⅝
Beacon Oil	.	...	..	...	...	...	...	19½	14¼
Brit. Amer. Oil (par $25)	10	5.00	50	49¼	49¼	49¾	256	53¼	47
Can. Oil, com.	1¼	...	70	70	70	75	25	75	65
Do. pref.	8	7.58	105⅝	105⅝	105⅝	105⅝	10	106	100
Continental Oil	25c	...	..	...	...	...	...	26	20
Dryden Power (no par)	.	...	6	6	6	5½	150	7¾	5½
East. Engineering	.	...	..	...	...	...	...	2½	1
Good. & Worts	6	2.72	..	...	...	...	...	237	193
Imperial Oil (no par)	1.00	2.77	36½	35	36½	35	2015	38½	32½
Inter. Pet. (no par)	75c	2.34	33¼	31½	33¼	32⅛	1535	35½	29¼
Manitoba Power (no par)	.	...	35	35	35	35	110	42	24
Newsprint Corp.	.	...	..	...	...	...	...	27	18
Nor. Star. Oil, c. (par $5)	.	...	75	75	75	100	100	105	75
Do. pref. (par $5)	.	...	..	...	...	...	...	4.75	4.50
Simpsons, pref.	6	6.06	..	...	...	...	...	102	99
St. Maur. Valley Corp.	.	...	44	44	44	45¼	110	53½	44
Toronto R.S.	.	...	..	...	...	...	...	150	110
Volcania Oil (par $25)	62c	...	..	...	...	...	...	29	26½
Attendu Eng.	.	...	40	31	38	43	13406	43	7
Eng. Elec., com. (no par)	.	...	..	...	...	...	...	24½	15
Do. pref.	.	...	66½	66½	66½	65	10	72	59½
Illinois Power, pref.	.	...	97	96½	97	96	193	98½	96
Nor. Mex. Pr., com.	.	...	..	...	...	...	...	55	47
N.S. Car	.	...	..	...	...	...	...	11	5
Power Corp. (no par)	.	...	..	...	...	...	...	28¼	24
St. Law. Pr. (no par)	.	...	..	...	...	...	...	46½	36
United Secs., com.	.	...	..	...	...	...	...	65	55
Do. pref.	6	5.74	..	...	...	...	...	105	103
Can. Nor. Pr.	.	...	30	30	30	29½	70	30	29½
Paton Mfg., com.	.	...	..	...	...	...	...	55	50
Do. pref.	.	...	..	...	...	...	...	98	75
Pressed Metals	.	...	..	...	...	...	...	40	30
St. Maur. Pr.	.	...	76	76	76	80	5	82	75

Conservative Investments

Walter T. Smith & COMPANY. LIMITED
TORONTO
330 BAY STREET ADEL. 3112

AMES, HOLDEN DIVIDEND

MONTREAL. — It is expected that holders of the first mortgage 6 per cent. bonds of Ames, Holden, McCready, will shortly receive a notification of an interim dividend of 30 per cent. of their claims. At present, it is thought that the ultimate disbursement to the creditors will only amount to about 50 per cent. of the par value of the bonds, plus the accrued interest. Holders of the junior securities and creditors, other than preferred creditors, can, therefore, consider their claims to be of no value.

UNLISTED SECURITIES

	Bid	Asked
Brooks Steam-Motors	5	6
Can. Machinery, com.	4½	6
Can. Westinghouse, com.	160	165
Cosgrave Brewery	3¾	4½
Dom. Power, pref.	94	97
Farmers Dairy, com.	40	..
Farmers Dairy, pref.	100	102
Dunlop Tire, pref.	77	80
Dom. Sugar, com.	20	30
Do., pref.	89	..
B. Greening Wire, pref.	94	96
Copeland Flour, com.	2	4
Gunns, Ltd., pref.	26	33
King Edward Hotel, Deb. A.	78	82
King Edward Hotel, Deb. B.	59	62
K. & S. Tire, pref.	20	..
Loblaw Groc., com.	57	59
Do., pref.	101	105
Loew's Toronto, pref.	84	87
Loew's London, com.	3	3¾
Loew's Ottawa, pref.	19	..
Pure Food, com.	29	31½
Mount Royal Hotel, com.	4	6
Mount Royal Hotel, pref.	37	39
Willard's, pref.	70	74
Capital Life 25% Paid	23	26
Continental Life 20% Paid	33	..
Crown Life	125	..
Empire Life	22	..
Excelsior Life 25% Paid	45	..
Great West Life	360	..
Imperial Life	250	..
Monarch Life 10% Paid	20	..
Ontario Equitable	25	30
Re-Insurance	17½	..
Security Life, 40% Paid	30	35
Sovereign Life, 25% Paid	26	28½
Toronto Finance, pref.	4½	5¼
Trusts & Guarantee	76½	79
Sherbrooke Trust	105	..
Sterling Trust	76	..

Gotfredson

TRUCKS

Are on display at the following showrooms

Walkerville, Ont. .... Walker Road
Toronto, Ont. .... 242-244 Spadina Avenue
Montreal, Que. .... Guy and St. James Streets
Ottawa, Ont. .... 352 Sparks Street
Hamilton, Ont. .... 96 Ashley Street
Quebec, Que. .... 18 Crown Street
Gotfredson Truck Company of Manitoba
Winnipeg, Man. .... 276 Rupert Street

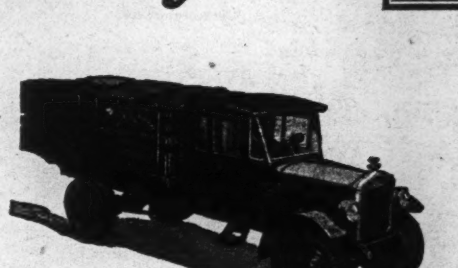
Canadian Built Trucks, Limited
Vancouver, B.C. .... 1112 Seymour Street

Foreign Distributors
Bonallack & Son .... London E. 1, Eng.
A. T. Richardson & Son .... Melbourne, Aus.

IN THE forefront of demonstrated transportation service, the Gotfredson Truck looms large. There is a model for each and every type of transportation requirement, each performing the maximum demands which may be made upon it with that daily trouble-free, economical service that has come to be associated with this sturdy, finely engineered truck.

No greater tribute can be paid to its outstanding value than a perusal of lists of its owners. Keen buyers—executives who overlook no factor, have chosen the Gotfredson from among its many powerful competitors for attention. Let us send you complete lists of concerns who have bought the Gotfredson, and after supreme tests candidly admit its superiority.

Power Service Economy



Gotfredson Corporation Limited

WALKERVILLE, CANADA

Factory Branch — 242 Spadina Ave., Toronto

Branches:

Montreal Hamilton London Quebec Ottawa Vancouver

PORT ALFRED PULP & PAPER CORPORATION

HEAD OFFICE:
CANADA CEMENT BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

St. Maurice Valley Corporation
Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—195,000 Tons Newsprint
Head Office:
MONTREAL-QUEBEC

Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.

Quebec Pulp and Paper Mills
Limited

Executive Office: CHICOUTIMI, P.Q.
Cable Address: "SAGUENAY, CHICOUTIMI"

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE - QUEBEC

ROLLAND

FORTY-FOUR years' experience making high grade papers is back of every Rolland sheet. Where you see the "R" Shield Watermark you can confidently count on the highest quality too. Rolland papers live up to their name.

THE ROLLAND PAPER CO. LIMITED
High Grade Paper Makers Since 1882
MONTREAL
Mills at Mont Rolland and St. Jerome, P.Q.

Pulp and Paper

INTERNATIONAL IS TAKING STEPS TO PROTECT FORESTS

Particular Care Will be Taken With Limits Just Secured

The development program of the International Paper Company on the Gatineau river includes the construction at the present time of hydro electric plants at Farmers Rapids, Chelsea and Caugan Falls, and a newsprint paper mill at Gatineau. At Chelsea about six miles above the confluence of the Gatineau and Ottawa rivers near the city of Ottawa, the construction of a dam and power house is well under way. The power house has been designed for five turbines of 34,000 h.p. each. At Farmers Rapids, about 7,000 feet below the Chelsea plant, the company is building another plant for five turbines of 24,000 h.p. each. On account of the proximity of these two plants they will be run in synchronism, each plant using the same amount of water at the same time.

These plants will not only supply the power required to operate the newsprint mill at Gatineau but will also supply such industries as may be attracted to the district.

It is from these developments that power is to be sold to the Hydro Electric Power Commission of Ontario.

Conserving Forest Reserves

In connection with the International Company's new plant at Gatineau and other developments to increase paper output the company is co-operating with governmental authorities and private associations to protect its timber lands from fire and to conserve its future wood supply in other ways. Important timber limits have recently been acquired. Discussing the company's forest reserves, the International Paper Monthly for June will say:

The continually expanding consumption of various commodities imposes on industries the necessity of supplying the increasing requirements promptly and in sufficient quantities. This in turn involves from time to time the extension of existing plants and the construction of new ones. Plant expansion calls for the solution of many problems, chiefly the acquisition of additional supplies of raw material, which, in the pulp and paper industry, is wood.

With a view to strengthening its forest reserves, the company has recently acquired the Ste. Anne des Monts timberlands to which reference was made in the May issue of International Paper Monthly.

The company also has just acquired approximately 2,000 square miles of Crown timber limits on the Upper Ottawa and Gatineau Rivers in the province of Quebec. Because of its location and stand of timber this purchase is of peculiar value to the company and will permit the enlargement as market conditions require of both the Kipawa and Gatineau Mills, as well as reinforce the available supply for the newsprint mill which the company contemplates building on the Quinze (Upper Ottawa) River some time during the next four years.

These acquisitions of timber limits reflect a policy of balancing of mill construction with adequate timber reserves so that the company's mill properties will be assured of permanence. The opposite policy of building or expanding mills beyond the capacity which their timber reserves justify has in the past been productive of serious injury not only to the industry, but also to the communities in which it is located.

The protection of forest resources against fire is of growing importance. Cutting of timber for pulp and paper mills where the tributory woodlands are adequate in size presents only operating problems, as growth should equal or exceed the quantity of timber cut annually. The real problem is that of protection against loss from forest fires.

The International Paper Company is co-operating with governmental authorities and private associations in the matter of fire protection for its timberlands, and is engaged in much pioneer work on its own initiative. The company looks forward to a time when forest fires will be reduced to a minimum.

Wayagamack's Earnings Said to be 12 Per Cent.

From Our Own Correspondent.

MONTREAL.—The present weakness of the common stock of the Wayagamack Pulp and Paper Co. indicates little of the position of the company but rather reflects the general slump in the newsprint shares which, at the beginning of the year, were pushed by speculative buying to very high levels. It is of interest to the shareholders to note that the slump has occurred at a time when the company is said to be earning at the rate of 14 per cent. per annum on its common stock and it has been stated that the company was able to earn 12 per cent. on its common over the first six months of the fiscal year. Undoubtedly a contributing factor in the decline was the rumor that it had completed the purchase of the island of Anticosti. It was later announced that Wayagamack had merely purchased an option on the property.

Doubtless, there were shareholders who immediately jumped to the conclusion that further expansion in the newsprint department would be undertaken and that thus dividends would be further delayed.

ST. LAWRENCE PRODUCTION UP

MONTREAL.—Due to the large demand from customers, the St. Lawrence Paper Mills has pushed its production slightly over its rated capacity of 150 tons a day.

MATTAGAMI PAYS INTEREST?

MONTREAL. — By the order of the court, the sale of the assets of the Mattagami Pulp and Paper Co. has again been moved forward; this time from May 29 to October 10.

In the meantime, prospective purchasers are to examine the property. The receiver who is operating the plant declares that it will endeavor to pay one year's interest to the bondholders.

Howard Smith Benefits From Cut in Postage

From Our Own Correspondent.

MONTREAL.—The Canadian producers of the higher grades of paper stand to benefit by the resumption of the two cent postage in the Dominion, commencing July 1 next.

Envelope manufacturers and paper merchants believe that the reduction will give a decided fillip to direct-by-mail advertising and thus such companies as the Howard Smith Paper Mills should eventually feel an increased demand for their paper.

Newsprint Production Up This Year by 14%

From Our Own Correspondent.

Newsprint production in the United States and Canada during the first four months of 1926 was 14 per cent. more than in the first four months of 1925 and 20 per cent, more than for the same period in 1924, according to R. S. Kellogg, secretary of the Newsprint Service Bureau, New York.

Imports of newsprint into the United States for the first three months of 1926 were 19 per cent. more than for first three months of 1925 and 26 per cent. more than in the same period of 1924.

Exports of newsprint from Canada for first three months of 1926 were 21 per cent. more than for first three months of 1925 and 33 per cent. more than the same period in 1924.

Mill stocks of newsprint at United States and Canadian points amounted to 2.7 days' average production on April 30, 1926; 5.5 days' on April 30, 1925, and 5.3 days' on April 30, 1924.

Publishers' stocks, on hand and in transit amounted to 30 days' supply on March 31, 1926; 38 days' on March 31, 1925, and 43 days' on March 31, 1924.

Newspaper advertising in 29 leading cities for the first four months of 1926 was 7 per cent. more than for first four months of 1925, 7 per cent. more than for same period of 1924, and 11 per cent. more than in the corresponding period of 1920.

Periodical advertising, national publications, for first five months of 1926 was 9 per cent. more than for first five months of 1925, 9 per cent. more than for these five months in 1924, but 10 per cent. less than in same period in 1920.

Pulp and Paper Exports All Lower Than in March

From Our Own Corresondent.

MONTREAL.—The exports from Canada of sulphate, bleached and unbleached sulphite, and mechanical pulp, during the month of April all show an increase over the exports of April, 1925. The exports of pulpwood during the month have increased slightly, but the number of cords of pulpwood exported during the twelve months ending April, 1926, are still slightly below the total pulpwood exported during the preceding twelve months. The exports of newsprint in April 1926, amounted in value to $7,374,021, as compared with $6,654,-303 last year.

The export figures of wood pulp and pulpwood during the month follow:

	—April—		March
Pulp—	1926	1925	1926
Mechan.	$ 346,185	$ 315,183	$ 767,752
Sulphite (blchd.)	996,834	907,626	1,670,195
Sulphite (unbl.)	999,037	705,995	1,595,714
Sulphate	821,717	641,466	1,098,008
Total pulp	3,163,773	2,570,270	5,131,669
Paper—			
Newsprint	7,374,021	6,654,303	11,460,211
Wrapping	96,388	153,557	383,525
Paper Bd.	243,560	227,931	360,602
Other	116,716	117,769	217,172
Tl. paper	7,830,685	7,153,560	12,421,510
Tl. pulp & pap.	10,994,458	9,723,830	17,553,179

Distribution of the exports for April 1926, was as follows:—

To—	Pulp	Paper	Total
U. K.	....	223,974	223,974
U. S. A.	2,776,307	7,255,553	10,031,860
Other count.	387,466	351,158	738,624
	3,163,773	7,830,685	10,994,458

For Twelve Months

Pulp—	1926	1925
Mechanical	$10,936,893	$ 8,187,796
Sulphite (blchd.) ...	14,654,123	12,590,191
Sulphite (unbl.) ...	15,195,208	12,376,747
Sulphate	9,717,149	8,314,038
Tl. pulp	$50,503,373	$41,468,772
Paper—		
Newsprint	$102,958,286	$92,378,540
Wrapping	2,756,121	3,122,352
Paper board	3,289,310	3,287,212
All others	1,778,337	1,630,213
Total paper	$110,782,054	$100,418,317
Tl. pulp and paper..	$161,285,427	$141,887,089

Pulpwood Exports

	Quant. (cords)	Val.
April, 1926	71,256	634,045
March, 1926	146,091	1,334,600
April, 1925	64,760	595,439
12 months ending:—		
April, 1926	1,317,256	13,094,663
April, 1925	1,387,323	14,021,315

B.C. Pulp Earnings Are in Line With Forecasts

From Our Own Correspondent.

MONTREAL. — The end of March marked the conclusion of the first five months of the career of the B.C. Pulp and Paper Co. Satisfactory progress has been made and the working capital position has been improved since its organization last September. Both in volume and in price, the business done during these five months has been well in line with the forecasts made last November by those connected with the undertaking.

The company is carrying out chemical research work at present in connection with the utilization of hemlock in the production of cellulose. In speaking of this work, Lawrence Killam, the president, declared that, if it proved successful, the company will treble the size of its plant.

BROMPTON WORK BEGINS

MONTREAL.—Work on the new newsprint mill of the Brompton Pulp and Paper Co. at Bromptonville, P.Q., is under way. The new plant will have a capacity of 100 tons a day and it is anticipated that it will be completed by December of this year.

PORT ALFRED UNDER WAY

MONTREAL. — By June 1 the new newsprint mills of the Port Alfred Pulp and Paper Corporation will be turning out newsprint.

A UNIQUE INDUSTRY

YARMOUTH. — Interest has lately been aroused in the fact that large quantities of eel grass suitable for certain commercial purposes, are found washed ashore on the coast of Nova Scotia. Each tide brings in a generous quantity of leaves or blades which are torn off the vast underseas meadows by the action of the waves. This is hauled out of reach of the waves by ox teams and spread out to dry. The main centre of the industry lies along the shores between Pubnico and Yarmouth, where there are 11 gathering stations. The annual output is about 3,000 tons, for which the harvester is paid from $9 to $12 a ton.

HOMESTEADING ON PEACE RIVER

EDMONTON.—Homestead entries at the Peace River land office for the year ending March 31, 1926, show an increase of 50 per cent. over those of last year. Land sales for the year also show an increase, while the revenue derived from land patents, timber and grazing permits is far in advance of any previous year. During the nine years the Peace River office has been open, only one year, 1917-1918, exceeds the past year in homestead entries.

ALBERTA POOL GETS ELEVATOR

EDMONTON.—The Alberta wheat pool has leased the Dominion government terminal grain elevator at Prince Rupert, on the Pacific coast. The elevator is a modern plant with capacity for 1,250,000 bushels.

DOMINION TEXTILE CO., LIMITED
PRUE
MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS
AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
MONTREAL TORONTO WINNIPEG VANCOUVER

The Wabasso Cotton Company, Limited
THREE RIVERS, P. Q.
Manufacturers of Fine White Cotton, also Spinner's Fine Counts of Yarns

Atlantic Sugar Refineries
LIMITED
Lantic Sugar
General Offices
211 McGILL STREET
MONTREAL
Refineries - St. John, N.B.

MAPLE LEAF
INDUSTRIAL
ALCOHOL
HIGHEST QUALITY-BEST SERVICE
Ethyl Alcohol—Cologne Spirits, Denatured Alcohol (all formulae)
We maintain a Technical Service Division which stands ready at all times to co-operate to the best of its ability with the trade.
TRADE MARK
Canadian Industrial Alcohol Co., Ltd.
MONTREAL CORBYVILLE
TORONTO WINNIPEG VANCOUVER

DOMINION BRIDGE CO.
LIMITED
Montreal, P.Q.
ENGINEERS, MANUFACTURERS and ERECTORS of STEEL STRUCTURES
HEAD OFFICE AND WORKS: Lachine Locks, P.Q. P.O. Address, Montreal, P.Q.
BRANCH OFFICE AND WORKS: Toronto, Ottawa and Winnipeg.
Sales Offices: Montreal, Ottawa, Toronto, Winnipeg, Regina, Edmonton, Vancouver.

Penmans
LIMITED
Manufacturers of High-Grade
Knit Underwear, Hosiery, Sweaters
MILLS AT PARIS, Ont. BRANTFORD, Ont. LONDON, Ont. WATERFORD, Ont. ALMONTE, Ont. COATICOOK, Que. and ST. HYACINTHE, Que.
General Office: Paris, Ont.
Selling Agents to Wholesale Trade:
JOHN GORDON & SON,
Toronto and Montreal
SELLING AGENTS TO RETAIL TRADE
Edward Burns Co., Ltd., Toronto, Ont.
B. S. MacFarlane, Montreal, Que.
John J. Wilson, St. John, N.B.
Bryce & Co., Ltd., Winnipeg & Vancouver.
EXPORT REPRESENTATIVES
J. J. Jardine, St. John's, Nfld.
H. W. Airey, Ltd., Auckland, N.Z.
L. C. Carrick, Cape Town, South Africa.
Hugh Scott-Young, Melbourne, Australia.
Liddell & Mitchell, Glasgow, Scotland.
Taylor & Shelmerdine, Manchester, England.
W. J. Cutcliffe, London, Eng.
W. E. Goodman, Manchester, England.

Public Utilities

INSULL PREDICTS MERGERS OF BIG PUBLIC UTILITIES

Says Electric, Gas, Coke and Steel Industries Will Work Hand in Hand

ATLANTIC CITY.—In a comparatively short time electric supply companies will produce electric energy and gas, as well as valuable by-products, under the same roof, from one plant and from one class of fuel. This prediction was made at the convention of the National Electric Light Association by Samuel Insull, president of the Commonwealth Edison Co. of Chicago.

Present circumstances, he said, portended the expansion of electric, gas, coke and steel industries to a point where they will work hand in hand as separate entities toward realization of the best economic conditions possible through the conservation of fuel and energy. Solution will be found in a few years, he asserted, with great reward for the successful pioneers, in the problem of low temperature carbonization of fuel, to which problem he invited the research efforts of both the electric and gas industries.

The joint efforts of the steel, gas and electric companies, he said, would eliminate present waste in large degree and would result in economic interchange of energy or its fuel equivalent. If large steel companies have not yet freely admitted they can advantageously interchange energy with local utilities, commented Mr. Insull, "perhaps pride of position has been a deterrent," inasmuch as until recently steel companies often have been financially greater than utilities, a situation being altered by consolidation of electrical enterprises as an economic consequence of interconnection.

In discussing the consolidation of electrical enterprises, Mr. Insull pointed to the progress in interconnection, instancing the longest system of the kind in the world, extending 730 miles from the water powers of central Wisconsin through the Chicago district, through central Indiana, to the Ohio River, tying in with the steam station and water power development at Louisville, proceeding to the Dix River in Tennessee and to the coal fields of Virginia.

Underlying principles involved in this great matter of interconnection and superpower, said Mr. Insull, included protection of continuity of service, diversity of load and territory resulting in improvement of load factor and conservation of coal, diversity of generating supply, pooling of reserve capacity which reduces the reserve necessary for equal protection and conserves capital, relaying power in event of drouth and other abnormal conditions such as high water and breakdowns, and economies in operation and conservation of coal through better distribution.

Concerning the potential market for power, Mr. Insull cited that only 7.8 per cent. of farms, have electric service of any kind. The potential farm market for electrical energy he estimated at 18,700,000,000 kilowatt hours a year, 29 per cent. of the present total output for the country. With only 1 per cent. of the 250,000 miles of railroads electrified, Mr. Insull estimated that if all the lines were supplied by steam-electric stations, the annual saving would be 136,000,000 tons of coal, while, if one-third were supplied by hydro-electric stations, the annual saving would be 162,000,000 tons.

Mr. Insull told the convention the industry has tremendous opportunities for increasing sales of electrical energy, saying that at present these sales "are not keeping pace with the increasing investment in plant and equipment and with the increase in generating capacity."

B.C. Electric Planning Development in Gas Field

VANCOUVER.—With the acquisition of the New Westminster Gas Co., the B.C. Electric takes over an area which will see great gas expansion in the next few years. There are some 700 gas customers in New Westminster city and some 12 miles of mains. It is the company's intention to lay a high-pressure main from the Grandview holder, Vancouver, along the Central Park right-of-way, serving Burnaby en route, and close down the old plant in New Westminster.

The necessary pipe for the high-pressure line and for the extension of the city system has been ordered, but it will probably be several months before it can be laid.

The company hopes to be able to serve not only the 700 old customers, but several thousand other homes with the labor-saving fuel that comes through a pipe, because the day of the wood-pile and the coal-scuttle is fast disappearing before the convenience and coolness of fuel that can be turned on at a tap.

Brazilian Traction Helped by Better Exchange Rate

Brazilian Traction continues to attract favorable attention and prices have been well maintained about the top of the recent upward movement. The milreis exchange rate has been showing strength, and the maintenance of the present rate would later undoubtedly be reflected in increased dollar earnings from which dividends are paid. The marked success of the international offering of United States of Brazil bonds a few days ago undoubtedly had an effect in raising the public confidence in the stability of affairs in this South American republic. Investors in the United States, Continental Europe, and Canada, took the bonds very readily, and a heavy over-subscription was reported. Such a credit should have a bolstering effect, both actual and sentimental, on milreis exchange rates.

Consumers' Gas Decline Matter of Adjustment

The recent easier trend in the market for Consumers' Gas shares, with a decline from around 180 to 172, may be regarded as an adjustment in connection with the new financing rather than any indication of changed conditions in the company's affairs. As a matter of fact, the sales of the company are continuing to show increases right along, the volume of gas now being sold being about 8 per cent. greater than at this time last year. And so far as the new capital is concerned it is largely to take care of developments made or under way, the success of which from the standpoint of earnings is already assured.

It had been expected that on the basis of the price of 178 which prevailed at the time of the announcement of the new $2,000,000 issue at 150 to shareholders on the basis of one to five, the rights would have sold about $5. Considering the dividend, the quotation which is nearer $4 is somewhat lower than might have been anticipated. However, the present price, plus rights, is but little below the price prevailing at the time of the announcement, and it is not a matter for surprise that there would be some shareholders who would prefer to sell their rights or even their shares rather than provide the capital required to take up the additional shares offered.

MUNICIPAL PLANT IS SOLD TO CORPORATION

International Utilities Secures the Light and Power Plant at Vegreville, Alta.

International Utilities Corporation announces the acquisition of the electric light and power plant formerly owned and operated by the Town of Vegreville, a prosperous community in the centre of a rich farming district about 70 miles east of Edmonton, Alta., Canada, on the main line of the C.N.R. Although this situation is comparatively small, its acquisition is of particular significance at this time since it represents a municipally owned property being sold to a large private public utility interest.

A strong and bitter fight was made against the move by citizens of Vegreville, who favor public ownership. The council, however, was successful in obtaining the necessary votes for the by-law to sell and as a consequence, it is believed that through improved service under private ownership, this action should establish a precedent which should have considerable bearing upon the future Canadian attitude towards municipally owned public utilities.

International Utilities Corporation controls in Canada the Canadian Western Natural Gas, Light, Heat and Power Co., which distributes gas in Calgary, Lethbridge, MacLeod and other towns in Alberta, Canadian Utilities, Ltd., owning the entire capital stock of Northwestern Utilities, Ltd., serving Edmonton with gas, and the Princeton Petroleum Company, Ltd., owning valuable oil leases in the Viking field in Alberta.

The company has been very successful in securing capital as the result of customer ownership campaigns and this success has reflected public satisfaction with the service provided. It has been this public satisfaction no doubt which has been the deciding factor in the Vegreville situation.

TWIN CITY HOLDS GROUND

There has been more interest displayed by investors in Twin City since its recent recovery to around 72, and it has been holding firmly around that level. Not only are the prospects improved from the standpoint of the company's income from fares, but the recent trend of downward commodity prices should have the effect of reducing operating costs of the public utility corporations in general, and thus adding to their net profits. As the result of the war the utilities were for a period of years faced with rising costs without a compensating increase in income. In many cases fares have since been increased, and, in others, operating costs have been adjusted to the minimum so that any benefits to accrue as the result of lower prices for supplies should improve the situation from the standpoint of the shareholders.

CANADIAN SERVICE FROM MONTREAL

"We thought Cunard service would cost more—but it doesn't. How lucky! We booked return, of course."

Cunard
ANCHOR-DONALDSON LINE

Particulars from
The ROBERT REFORD CO.
Limited
TORONTO
(Phone Elgin 3471)
or any STEAMSHIP AGENT

CANADA NORTHERN BENEFITS BY DEAL

Purchase of N.O. Light Will Increase Value of Common

From Our Own Correspondent.

MONTREAL, — The shareholders of the Canada Northern Power Corporation have received a letter from Nesbitt, Thomson and Company which reviews the progress of their company and shows the capitalization of the corporation upon the completion of the new financing, which calls for the sale of $2,500,000, 6½ per cent. bonds, from a total issue of $3,000,000, which the shareholders will be asked to authorize.

The new capitalization of the company will be as follows:

	Authorized	Issued
6½% 15-yr. Sink. Fd. Gold Bonds	$3,000,000	$2,500,000
7% Cum. Pfd. Stock...	7,500,000	4,750,000
Com. Shs. (of no par value)	shares 75,000	shares 40,000

The output of power in the territory served by the corporation and its subsidiaries in 1924 exceeded that of 1923 by 19 per cent. and was 60 per cent. greater than that of 1922; the year 1925 shows an increase of 13 per cent. over 1924, says the letter, in indicating the demand for power in the northern mining section. It continues, in part:

"The Canada Northern Power now controls eight power plants situated on the Mattagami and Matabitchouan Rivers, in Ontario, and the Quinze River in Quebec, having an installed capacity of over 76,000 h.p., which developments are distributed as follows:

Sandy Falls, Mattagami River, Ontario	5,000 h.p.
Wawaitin Falls, Mattagami River, Ontario	16,000 h.p.
Sturgeon Falls, Mattagami River, Ontario	9,000 h.p.
Quinze Plant, Quinze River, Quebec	20,000 h.p.
Hound Chutes, Montreal River, Ontario	5,300 h.p.
Fountain Chutes, Montreal River, Ontario	3,000 h.p.
Matabitchouan, Matabitchouan River, Ontario	13,200 h.p.
Ragged Chutes, Montreal River, Ontario .... (Hydraulic Air Compressor)	5,000 h.p.
	76,500 h.p.

The Future Earnings

"The Quinze plant in Quebec has an installed capacity at present of 20,000 h.p. which can be increased to 60,000 h.p. at a low cost, as a large part of the permanent works has been completed. This will give your company a combined capacity of 116,000 h.p.

"The net earnings of the constituent companies, as at December 31, 1925, after paying all underlying charges, including the expenses of Canada Northern Power Corporation, and allowing for a proportion of the earnings for shares not held by your company, but by minority shareholders, but before providing for depreciation and income tax, amounted to $766,545.73. As the bond interest only amounts to $162,500, there will be remaining some $603,500 available for preferred dividend requirements at the end of the year of about $333,500.

"The earnings as above mentioned do not reflect the full earning capacity of the constituent companies. It is conservatively estimated that, based on the same calculations, the earnings available in 1928 will amount to $1,000,000 odd after deducting a bond sinking fund charge of $221,250. These earnings are estimated after a careful survey of the territory.

"It is our opinion that the acquisition of the Northern Ontario Light & Power Company will be of great benefit to your company, and that the common stock of your company has great possibilities."

Avon River Power Bonds Give Investors Profit

From Our Own Correspondent.

MONTREAL. — Two years ago, the Montreal Stock Exchange house of Johnston and Ward offered the first mortgage bonds of the Avon River Power Co. at 99; investors who purchased the issue now have a nice little additional profit, for it is being called at 105, a-yield of over 18 per cent. on the investment since its issuance.

The maturity date of the bonds is July 1, 1953, but they will be paid on July 1 next. The calling of the issue means that the Avon River Power Co. will increase its output of power. A new issue of bonds will shortly be placed on the market; this will allow the company to instal an additional 3,000 h.p. at another power site which it owns and at which it has already constructed the necessary dam. Again, since the beginning of the year the company has acquired the Windsor Electric Light Co. and in July it will take over the Gaspereaux River Light, Heat and Power Co. Probably the new bond issue will also reimburse the Avon River Power for its expenditures in connection with the acquisition of these two companies.

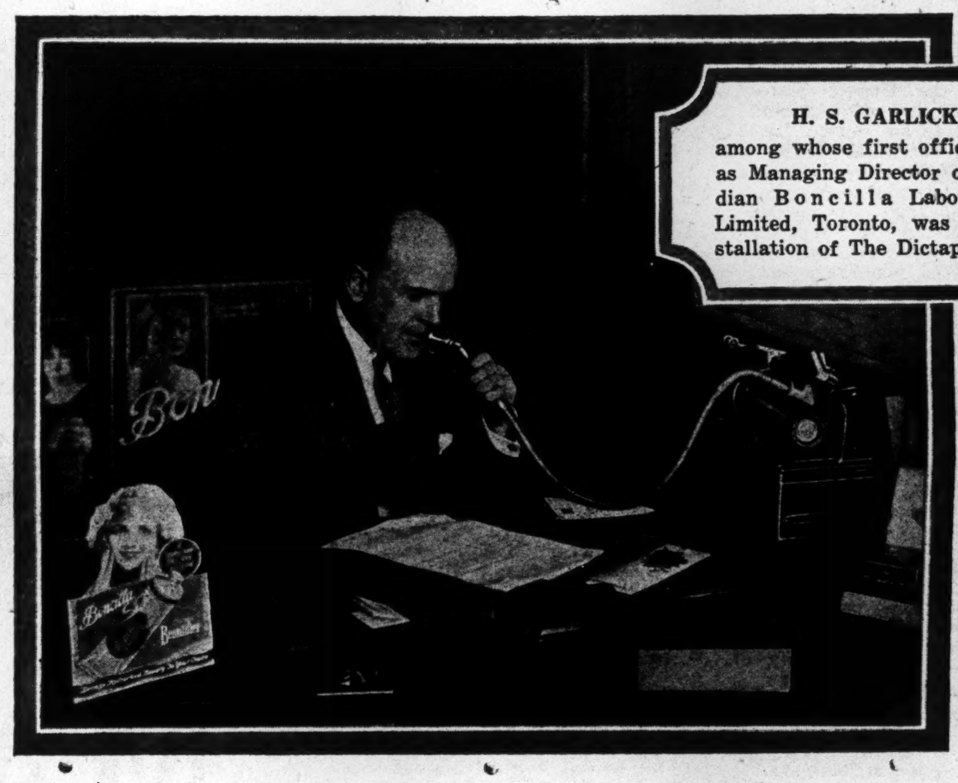
At present, the company's output consists of 2,600 h.p. from its plant in the Annapolis Valley, N.S. The additional power which is to be produced is thought to presage further industrial development in the territory served—an area of some 200 square miles in the Annapolis Valley.

Direct Collections at home and abroad

THROUGH our own offices at 900 important points in Canada and abroad, we offer business concerns a direct channel for converting their accounts into cash quickly and economically.

G527

The Royal Bank of Canada



H. S. GARLICK,
among whose first official acts as Managing Director of Canadian Boncilla Laboratories, Limited, Toronto, was the installation of The Dictaphone.

What's Wrong With Shorthand?

Executives Say:—

"I'm forced to cut dictation short."
"She can't help me with other things."
"If she could only take it as fast as I think."
"It's the 'ring and wait' system."
"I had all this clear in my mind last night."
"Pshaw! she's gone. I'll have to wait till to-morrow."
"If I could only dictate while it's fresh in my mind."
"She can't get out all she's taken."

That's enough! I'll send in the coupon below on general principles.

He couldn't keep "caught up"—when he used shorthand

How much more easily can a man handle his correspondence with The Dictaphone than with "9 to 5" Shorthand?

Read Mr. Garlick's experience and note our coupon offer

WORRY regarding his correspondence never distracts Mr. Garlick's mind when he's out calling on trade. He knows that no matter how late he returns to the office, The Dictaphone will be on hand to take any left-over letters and memos **as fast as he can put his ideas into words!**

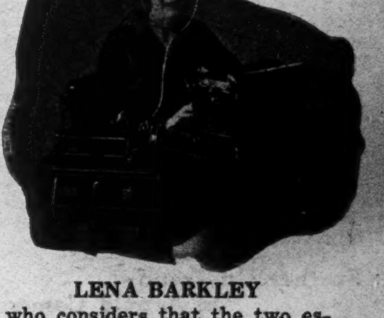
Not that Mr. Garlick makes a practice of putting off his correspondence till after hours. He realizes fully the advantage of dictating "as the subject arises...... while the thoughts are fresh and clear in mind." But having been a Dictaphone enthusiast for a dozen years, he knows, too, that The Dictaphone permits just that and also enables him to utilize every spare minute for dictating as he could never do with the shorthand system.

Then, too, Mr. Garlick finds that he puts more personality and "punch" into his letters when dictating to the impersonal Dictaphone than he could in the presence of a third party, as it were. And for the same reason he considers that his style of expressing himself is improved and clarified by the better opportunity for concentration which The Dictaphone affords.

Lena Barkley, Mr. Garlick's secretary, not only types all his letters, but takes care of consumer inquiries, supervises the mailing of booklets and relieves him of other minor responsibilities in the time she saves by not having to write every letter twice.

Miss Barkley's first experience with The Dictaphone was while in a previous position. Dictaphones were installed in her department to try them out. When they proved satisfactory, they were sent to another department. But when Miss Barkley discovered that she was expected to go back to what she calls "stay-late, ambition-killing short-hand" she immediately applied for another "job."

She came to Canadian Boncilla Limited, as a Dictaphone operator and soon worked up to becoming Mr. Garlick's secretary, in which capacity—thanks to The Dictaphone—she is first assistant, working **with** her chief!



LENA BARKLEY
who considers that the two essentials for a secretary's success are initiative and The Dictaphone!

What's Wrong With Shorthand?

Secretaries Say:—

"Hours wasted while he's in conference."
"No one else can read my notes."
"I'm nothing but a bell hop."
"I'm 10% secretary and 90% slave to my notebook."
"Yes, I do mind staying late."
"Those awful waits while he chats over the 'phone."
"Cold notes are maddening."

That's enough! I'll show him this trial offer right now.

MAIL WITH YOUR LETTERHEAD TO Dictaphone Sales Corp. Ltd.
33 Melinda Street, Toronto
T. R. CRAYSTON,
General Manager

☐ I want to read what leading executives or secretaries say about increasing their ability with The Dictaphone. Mail me FREE copy of your booklet, "What's Wrong with Shorthand?"

☐ I am a Secretary ☐ Executive
(*Check one*)

☐ Please notify your nearest office to lend me a New Model 10 to try. I understand that this loan involves no expense or obligation.

World-wide organization—U.S.A., London, Paris, Brussels, Sydney, Shanghai, etc.

DICTATE TO THE DICTAPHONE
"Reg. Canada"
and double your ability to get things done

Food Products

SILVERWOODS IS NOW OPERATING SIX SUBSIDIARIES

Notable Development in Dairy and Produce Business

One of the notable developments in the dairy and produce business in Western Ontario has been the gradual building up of Silverwood's Limited and its expansion through a series of subsidiaries, scattered throughout that part of the province, until today it controls five companies and just recently incorporated a sixth.

Silverwood's is located in London and its program of development was only launched some three or four years ago. To-day the parent company stands in the position of a holding company with control of the following:

W. J. Skinner, Ltd., Forest, Ont.
Silverwood's Dairy Ltd., Chatham.
Silverwood's Niagara Dairy, Ltd., St. Catharines.
Silverwood's Windsor Dairy, Ltd., Windsor.
Silverwood's Lucknow Creamery, Ltd., Lucknow.
Silverwood's Sarnia Dairy, Ltd., Sarnia.

Of the above, the latter has just been incorporated and takes over the St. Clair Ice Cream Co. and a number of small dairies.

The company at the start faced some difficulties in the development of these industries. Not only did the company have the usual pioneer difficulties of nursing along the new companies or subsidiaries and getting them on a sound basis, but there was in addition bad industrial conditions that have existed for some time and what was perhaps worse, two or three cold summers which materially lowered the sales of ice cream. However, the company is now reported to be in a much improved condition, due to the fact that the subsidiaries are making excellent progress. In addition the London company earned its dividends after taking care of all other charges. Higher earnings are looked for this year.

It was stated to The Financial Post recently by A. E. Silverwood, that while dividends have not been paid for a period, the board are now practically ready to resume these and it is anticipated that the March dividend will be paid early in the summer and from September on regular payments are to be anticipated.

The company has recently adopted the policy of monthly letters to shareholders so that they may be kept informed of the progress made. The latest letter deals with the earnings of subsidiaries as well as the London company and follows:

Silverwood's Dairy, Limited, Chatham, Ont.—For the 12-month period ending Feb. 28, our increased earnings are $9,973.

Silverwood's Niagara Dairy, Limited, St. Catharines, Ont.—For the 12-month period, increased earnings are $5,800. This small increase is no serious reflection on the progress of the company.

Silverwood's Lucknow Creamery, Ltd., Lucknow, Ont.—The improvement here has been exceptional. Increased earnings are $17,249. A dividend was declared on March 31, payable on April 15, bringing the preferred dividends up to date. In addition to earning the preferred dividend last year, this little company earned nearly 16 per cent. on the common stock, and it is confidently expected that it will establish a still better record for this year.

Silverwood's, Limited, London, Ont.—In my last letter I predicted an improvement for the year of $55,000. While the audited figures are not available yet, I confidently expect that the improvement will exceed $57,000, so that the improvement in the three above subsidiaries, together with that of Silverwood's, Limited, will exceed $90,000, or approximately 13 per cent. on the entire outstanding preferred stock. Those in close touch with all of these points feel that an amount equal to a further 8 to 10 per cent. can be earned this coming year.

Silverwood's Windsor Dairy, Limited, Windsor, Ont.—This company was only incorporated in February last year, but comparing the earnings with those of the Belle Isle Creamery, whose business was taken over, the improvement for the months of January and February was $1,206.65. This ratio of improvement should be further increased from month to month.

Further Up-Trend In Arnold Common

Evidence of confidence in the increasing business of Arnold Brothers, Limited, is seen in a continuation of the rise in the price of the stock noted in our issue of last week. From a low of 20 last week, the common stock has risen steadily to 23 where there were more than 200 sales. The progress that has been made so far is with the nine stores now operating. Sites for four more have been chosen, and it is stated at the office of the company that fifteen will be operating before the close of the present year.

B. C. Fishing Shareholders Watching Price Changes

British Columbia Fishing continues firm at 65¼, which is a high point for some weeks. The high point for the year so far is 75¼ and the low point 58½. Foreign trade continues good. Shipments of canned salmon during April show how world-wide is the market for this product.

Holders of stock in B. C. Fishing will be interested in the forecast of a general advance in canned salmon prices this year predicted by Hyman H. Cohen, market expert. Cohen states that there is every likelihood that the price of Columbia River Royal Chinook will open at $3.65 per dozen for one-pound tall cans, with flats at $3.70 and halves at $2.20 per dozen. This is 10 cents above prices a year ago. Indications are that the price of Alaskan salmon will open above the record figures of a year ago. Cohen predicts $3.50 for reds; medium reds, $2.50; pinks, $1.50 and chums, $1.25 per dozen. While the prices for Columbia River and Alaskan packs will not be formally named for some time, some contracts for Alaskan are passing at the above figures, subject, of course, to official correction. Interest is shown in prices following the settlement of the strike of Columbia River fisherman, who will get 13½ cents per pound. This represented a concession of one-half cent per pound by both the fishermen and the buyers.

MILLING OUTLOOK IS STILL BEARISH

Wheat Surplus Threatened—Many Countries Are Doing Without Our Flour

In view of the large number of enquiries that have been received by The Financial Post within the past few weeks with regard to the advisability of holding milling stocks for higher levels, it seems advisable to summarize some of the factors affecting the milling industry.

The trouble with the milling industry, in a word, is that the capacity of production exceeds present consumptive requirements, under certain restrictive measures which have been imposed abroad. The milling industry in Canada has a capacity of some 30,000,000 barrels while the actual annual output is about 18,000,000 barrels. There is a natural tendency for the millers to endeavor to increase their own output in accordance with their capacity. This leads to keen competition at home. Furthermore, there are advantages in milling the wheat on the United States side of the border, and no legislation has yet been introduced to prevent its crossing in bond and being milled there.

On the other side of the question is the present attempt of many flour importing countries to dispense with the foreign imports of flour. Some countries have encouraged grinding home grains in order to provide labor for their citizens. Many of the European countries have made some such attempt at self-sufficiency. Partly as a result of this there has been an over-production of milled products in many markets of the world.

Wheat Surplus—Flour Surplus

Turning to the immediate outlook, statistics show 550,000,000 bushels of winter wheat in the United States against 398,000,000 last year. Spring wheat may probably amount to 250,000,000, bringing the total to 800,000,000, or 130,000,000 bushels more than last year. Canada to-day has about 75,000,000 bushels of unsold wheat. The acreage in Western Canada has been increased, and the crop has commenced under excellent conditions.

While this outlook is rather bearish, from the standpoint of the producer, one important fact is that prices never go extremely low until there is actual evidence of the existence of a large surplus of any product such as wheat. The consuming power of Europe is elastic, and it is not possible to determine accurately how much wheat and flour will be consumed any particular year. For this reason, the outlook may not be so bearish as it looks upon the surface. There is little in the outlook, however, to warrant any great degree of optimism with regard to upward movements of the milling stocks in the immediate future.

Maple Leaf Common Decline is Checked

While the unsatisfactory condition ruling in the milling industry in general has adversely affected many of the stocks, the downward movement seems largely to have been checked. Most of the milling stocks are firm this week. Maple Leaf common stands at 60½, against 59½ at the first of the month. There is a feeling in financial circles that this price is nearer the real value of the stock than the price at which the stock stood at the beginning of the year, 88. The low point this year so far is 51. The preferred stock has eased somewhat to 92, as against 102 at the beginning of the year. This is the low point for the year so far.

Muirhead's Issue Is Well Received

The issue of 7 per cent. preferred stock of the Muirhead's Cafeterias, Limited, announced last week, has been accorded a good reception. It is the first of its kind to be placed in the Canadian market. The growth shown by similar companies in the United States has been rapid, and their earnings have increased materially during recent years. An opportunity exists in Canada for further development of the chain restaurants, and the demand for increased service and efficiency in the larger cities has increased yearly. In addition to the Bankers' Bond Company, who originated the issue, Gairdner and Company, and Worthington, Savage & Co., are members of the syndicate.

Appeals Against Nash Convictions Are Dropped

OTTAWA.—The question of continued prosecution of jobber-owned fruit brokerage houses in British Columbia, following the investigation into fruit combines, is under consideration, it was intimated in the house of commons by Hon. J. C. Elliott, minister of labor. Grote Stirling (Conservative, Yale) had asked if the minister would make a statement on the subject.

Mr. Elliott said that the appeal and cross appeal against the conviction and fines brought in the courts against a number of brokers had been dropped. There were still several indictments pending, but it is the present impression that these will be dropped.

PURE GOLD MANUFACTURING

The business of the Pure Gold Company is stated by officers of the company to be proceeding on a quite satisfactory basis. There has been very little trading in the stock of late, the last recorded transaction being at 20. Present quotations are 18 bid and 20 asked, but the fact that there have been no transactions of late indicates that shareholders are not anxious to sell at this level.

GUNNS' SHOWING NOT SO POOR AS FIGURES INDICATE

Operating Deficit Largely Result of Stock Settlement

The annual statement of Gunns, Ltd., which was submitted to the shareholders at the annual meeting, reflected the keen competition which exists in the packinghouse business, the net results for the financial year ending 28th of February, showing a loss after depreciation $282,696, as against a profit of $139,701 for 1925.

It would appear, however, from the figures submitted that the operating loss for the year was not so great as at first indicated. The amount to be deducted on account of the minority shareholders' settlement is stated to be $242,985. It is indicated that this has been included in the year's operating loss of $282,696, and the net operating deficit would, therefore, seem to be only $39,711. The changes in the company's position referred to in the president's statement, have increased the deficit in the profit and loss account from $162,813 at the end of last year to $762,614 at present—$282,696 being the profit and loss account deficit, $120,000 goodwill written off and $197,105, expenses in connection with the preferred stock issue. Complete details with regard to the nature of the minority shareholders' settlement mentioned would cast much light on the figures shown.

The president, Brig. Gen. John A. Gunn, in his address to the shareholders, stated as follows:

"Your directors regret to state that the operations for the year, after adjustments with minority shareholders, have not been satisfactory, showing a loss of $282,696 after deducting all interest charges, taxes, depreciation and reserve for bad debts.

"Your directors felt that the asset item of $197,105 covering the expenses in connection with the preferred stock issue, should no longer be carried on the books of the company as such; it has, therefore, been added to the deficit accounts. It has also been thought wise that the item of $120,000 for goodwill should be reduced to one dollar. The deficit in the profit and loss account including these items now stands at $762,615.

"The balance sheet shows liquid assets of $2,790,828 which includes cash, accounts and bills receivable, inventories, life insurance and sundry deposits and balances receivable, as against which the company owes their bankers and other creditors $2,500,173 or a surplus of $290,655 from which deduct the minority shareholders' interests of $242,985 leaving a liquid surplus of $47,669 apart from fixed assets of lands, buildings, plan and equipment and sundry investments of $2,321,388.

"Owing to the short supply of livestock and consequent high prices, it has been impossible to operate with a manufacturing profit in Canada. The export market, too, which takes an important percentage of Canadian pork products was unprofitable for the greater portion of the year. The difficult conditions which have obtained in the packinghouse industry in Canada for the last few years are by no means confined to Canada. This is well borne out by a recent statement of the eminent American financial authority, John Moody, who recently made an extensive review of the packinghouse industry which reveals an identical gloomy condition and outlook.

"It is to be hoped that the coming year will reveal a greater disposition on the part of packers to attempt to secure a proper margin between the cost of raw materials and finished products. The volume of sales has been well maintained."

The following directors were elected: John A. Gunn, Douglass W. Gunn, Donald R. Gunn, Andrew D. Gunn, Russell D. Bell, Norman L. C. Mather, Harold A. Greene, Frank W. Waddell, Victor H. Munnecke.

Loblaw Groceterias Profits Increasing

The investing public are looking forward to an analysis of the results of the fiscal year ending May 31 of Loblaw Groceterias Co., Limited. It will be some weeks before this information is available in definite form, but from information of an authentic source, it is forecast that the gross sales for the twelve months will show approximately seven and three-quarter million dollars. This is an increase of $1,600,000 over the previous twelve months. Net profits for the year, before income tax, will probably show in excess of $375,000. This item shows an increase over the previous year of $100,000. The percentage of net profit over turnover, it is predicted will be at least 4.75 per cent., as against 4.50 per cent. of the previous year.

After providing for dividends on the prior preference shares, and 2nd preference, the net available for distribution to common shareholders would show about $271,000, which is equal to $3.77 per share on the present common stock, or $1.89 per share on the new common stock.

This information is of particular interest to the second preference shareholders, who have been given the opportunity of converting into new common shares at the ratio of six to one.

Viau Biscuit Corp.'s Earnings Are Increased

From Our Own Correspondent.

MONTREAL.—Earnings of the Viau Biscuit Corporation are understood to be running steadily ahead of the levels established by the component companies during the corresponding period of 1925. Earnings in the first quarter of the year showed a satisfactory increase, and the improvement, it is anticipated, will be continued in the second quarter.

The biscuit business thrives always in the third quarter of each year; consequently it is expected that the benefits which the merger has brought about will be felt to the full and be more substantially reflected in the corporation's earnings during the quarter ending September 30.

LYALL CO. EARNINGS SHOW AN INCREASE

Net Profits $3.64 a Share—Last Year $3.27

From Our Own Correspondent.

MONTREAL.—The annual financial report of P. Lyall and Sons Construction Company for the year ending March 31, 1926, shows a slight betterment in gross and net earnings and in working capital position. After all prior charges, there remained $3.64 per share applicable to the common stock, as compared with $3.27 last year.

There were several changes in the balance sheet which resulted in decreasing the total assets from $5,845,699 last year to $4,987,848 at the close of this year; this was largely due to the deduction of $706,600 from the goodwill account. The latter is now carried on the balance sheet at $1,076,909.

Investment account now stands at $404,747, an increase of some $28,000, whilst work in progress is shown at $472,786, an increase of $80,000 over last year. Accounts receivable is down some $175,000 and stands at $554,020.

Amongst the liabilities the bonds outstanding are shown at $543,400, a reduction of $73,500 during the year. The most significant change in the liabilities, however, is the reduction in accounts payable from $181,077 last year to $38,267 this year.

Comparative Earnings

Income account and working capital figures over the past three years compare as follows:

	1925-26	1924-25	1923-24
xEarnings	$262,291	$260,120	$210,698
Bond int.	34,074	40,574	43,260
Balance	$228,217	$219,546	$167,438
Sink. fund	73,500	71,200	67,200
Net prof.	$154,717	$148,346	$100,238
Pfd. divs.	91,000	91,000	91,000
Balance	$63,717	$57,346	$ 9,238
Prev. bal.	415,916	358,569	349,331
Surplus	$479,633	$415,916	$358,569
P. C. on com.	3.64	3.27	0.52

xAfter rent, insurance, taxes, general expenses, etc.

Working Capital

	1925-26	1924-25	1923-24
Curr. assets	$2,279,250	$2,398,656	$2,477,171
Curr. liabs.	924,814	1,129,782	1,771,142
Work. cap.	$1,354,436	$1,268,874	$706,039

Remarks to Shareholders

In his remarks to shareholders, William Lyall, the president, says in part:

"Owing to weather conditions, the amount of work done was not as great as during the previous year, but fair profits were maintained.

"Excess wages over and above the schedule in force on the Welland Canal when the contract for sections three and four was undertaken now amounts to over four hundred thousand dollars ($400,000), and while no decision has as yet been reached, negotiations are still pending.

"The contract for the steel gates for the Welland Ship Canal has been secured by the Steel Gates Company, Ltd., which is owned entirely by your company.

"Exceptionally keen competition still prevails in the building business but the outlook for other classes of construction is more favorable."

7½% Dividends on Muirhead's Cafeterias Preferred

Invest in Muirhead's Cafeterias 7½% Preferred Shares. Price $10 per share, with a bonus of one share of no par value Common Stock with each ten Preferred Shares.

Here is an investment for people who know Muirhead's Cafeterias to be one of the most successful chain restaurant enterprises in Canada. $10 shares have been issued, because it is felt that the wider the distribution of shares the more good-will will accrue to the business.

"Muirhead's" has been established for 25 years. Earnings at the present time are more than sufficient to meet Preferred dividend requirements twice over. Not only so, but when the new restaurant is opened on Adelaide Street West, Toronto, on or about October 1st next, net earnings should exceed $90,000 a year. This would be equivalent to 25% on the Preferred Stock as against 7½% required. Therefore, one may reasonably expect early dividends upon the bonus Common Stock.

These Preference Shares are the senior security of the Company. There are no bonds ahead of them. They may be converted into Common Shares (at the holder's option) when it is profitable to do so.

This is one of the most desirable Preferred Stock investments to be had, and we have great confidence in recommending it.

Send in your order now ($10 per Preferred Share—one share Common Stock as a bonus with every ten Preferred) or write for a fully descriptive circular.

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What Ails The Maritimes?

In a plain, common-sense manner, William Boyd Macodrum analyzes the discontent of Canada's Atlantic provinces, weighs the legitimacy of Maritime claims and candidly discusses what he, a Maritimer, considers Maritime faults. Read and profit by his timely article in

MACLEANS' JUNE 1

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Look at the announcement accompanying "COURIERS OF COMMERCE," Frank Phillip's review of what the men on the road are doing for Canadian Industry.

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THE MATING OF SEBASTIAN, by Charles Lugrin Shaw.
TIES THAT BLIND, by J. L. Rutledge.
THE ENGLISH, AH, THE ENGLISH, by Norma Phillips Muir.
THE ROSE-COLORED CHAIR, by Llewellyn Hughes.
THE CRUISE OF THE BARGE "TREMBLAY"—More Light on the Customs Disclosures, by Grattan O'Leary.
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VALUABLE HINTS FOR HOUSEWIVES.

There Ought to be a MacLean's Magazine in Every Canadian Home

MARITIMES NO WORSE OFF THAN OTHER SECTIONS

So Ontario Manufacturer Tells People on the Atlantic Coast

Special Correspondence.

ST. JOHN.—Maritime people have had a good deal to say of late about the condition of their economic affairs and usually their comments have been tinged with a note of longing to share in the prosperity that the other parts of Canada seemed to be enjoying. Distant pastures have seemed greenest to Maritime eyes. Ontario and Quebec and the provinces further west, it has been felt, have been enjoying a plenitude of good times, that have not been shared with the seaboard provinces.

An Ontario manufacturer came down here the other day and congratulated Maritimers upon their comparative present prosperity and future advantages. He told them that the three provinces by the sea were no worse off than any other part of Canada; that they were in the aftermath of the war, just as were the other parts of Canada and that they had to pay the price of their war time sacrifices. This angle, taken by Hon. E. J. Davis, a leading leather manufacturer, of Newmarket, Ont., has caused a good deal of comment in these parts and a number of the business leaders of the Maritime provinces are inclined to agree that Mr. Davis has given a slant to the discussion of "Maritime rights" that is worthy of being more widely followed.

"Is your past or present position any worse than that of other parts of the world?" Mr. Davis asked, in launching into his critical analysis of Maritime affairs. "Is it any worse than the depression in British Columbia that followed the war and has only lately given way to prosperity? Is it any worse than the hard times that hit the West after the war and put Western farmers on their backs? Is it any worse than the industrial depression that has been evident in both Ontario and Quebec in the past few years when failure has followed upon failure, throwing into liquidation hundreds of long established firms that were the work of a life-time for many leading industrialists?"

Mr. Davis felt that the development of the natural resources of the Maritime provinces—as of all Canada—was the solution of their problems. Canada was only just beginning to open up. The United States was at the peak of its development; Canada was on the threshold of its real growth. There was no country in the world which afforded more possibilities than Canada. All citizens must do their share, must work hard, and with cooperation the country's troubles would gradually disappear. The continued expansion of agriculture, pulp and paper, timber and manufacturing industries would bring increasing prosperity to all parts of the Dominion.

STEAMERS PLAN REORGANIZATION NOW MODIFIED

(Continued from page 1)

public is to be regarded as a scrap of paper, to be torn up or altered at will, when it suits the purpose of those in control, what kind of security can any invester in shares of companies in Canada have?

Surely the position of the preferred shareholders cannot be thoroughly understood or there would have been very wide condemnation of the proposed confiscation. They were given a contract by the company, that out of its net earnings, when it was in a reasonable position to do so, it would pay 7 per cent. per annum on this stock before anything was paid to the common shareholders, and that if in any year it was not able to pay the full sum of 7 per cent., this rate would accumulate for the benefit of the shareholders till such time as the company was in a position to pay it, and that in the meantime nothing whatever would be paid to the common shareholders. If, on the other hand, the company became insolvent, then whatever surplus of assets the company had after the settlement of its regular business obligations, the payment off of its bonds, etc., the preferred shareholders would get $100 per share for their stock, plus whatever sum was accumulated by way of dividends on the preferred shares, before the common shareholders could receive anything whatever.

It is now proposed without any color of right or justice whatsoever to make the preferred shareholders give up approximately one half of the indebtednesses of the company for arrears of dividends and to accept for the balance of the debt a security inferior even to the security at present held by the shareholders and also to accept in exchange for their present shares the same kind of inferior security.

This attempted confiscation of the property of the so-called preferred shareholders for the benefit of the common, is a great wrong to the preferred and is the worst thing possible for the credit of Canadian corporations at home or abroad.

No one doubts that with honest and competent management this company could always have paid its preferred dividends, and it is adding insult to injury after waiting so many years for dividends that should have been paid, to attempt now to rob, under a legal cloak, the preferred shareholders of their just and proper dues for the benefit of the junior security.

Yours faithfully,
EDWARD CRONYN & CO.

INTERNATIONAL NICKEL'S ADVANCE

NEW YORK.—Revival of interest in International Nickel was accompanied by rumors that the company intended to increase its dividend later in the year. The company now pays $2 annually. International Nickel has what amounts to about a monopoly on the nickel output of the country. The company's financial position has improved steadily in recent years. Much of the buying of the stock during the recent market depression, it is said, was for the account of interests who intended to hold the stock for investment.

The Investment History of the C. P. R.

How the C.P.R. Built Traffic for the Line in Its Early Days—Built Elevators, Brought in Settlers and Made a Country to Make a Railway — Shaughnessy Steps Up

By RIELLE THOMSON, Eastern Editor, The Financial Post — Fifth Article

It is worth while to review the story of the Canadian Pacific Railway Company in the first two decades of its history. The work done in expanding and developing traffic, and the factors responsible for the initial success of the enterprise, have a decided bearing on its present and future status.

There were many factors which combined to create traffic for the company; some were deep rooted in the limbo of world economics and others were conjured up by the brains behind the road. For instance, almost simultaneously with the completion of the railway to Port Moody, its original western terminus, the company began to solicit and obtain business from the Orient and Australasia. In 1887 three steamers were chartered and placed on the Pacific route, and in 1890 the company entered more earnestly into the Pacific trade and ordered its first three Empresses from the Glasgow shipyards.

Of course, the settlement of the prairies was the road's chief concern at that time, and, as there was no difficulty in connection with Atlantic trade and passenger routes, the company did not enter the trans-Atlantic shipping until many years later; to be precise, in 1903, when 15 Atlantic ships were purchased.

Awaiting the Inrush

In the late eighties, the C. P. R. was engaged in building branch lines as feeders in the West and in consolidating its position in the East through the acquisition of other lines—but its main work was drawing settlers to the 300,000,000 acres of land on the prairie. Not only was the Canadian west rich at this time in agricultural land, but a beneficent Providence had endowed the country with coal deposits which, even then, geologists were beginning to say were inexhaustible; to the north lay valuable timber lands, and all awaited the inrush of the land-hungry from distant climes.

It was not the company's policy to sell its own lands until such time as Crown lands had been taken up—thus eventually it was enabled to obtain better prices. To promote the settlement of Crown lands was then its chief endeavor.

Going After Immigrants

Persistent colonization campaigns were inaugurated—special efforts were made to divert the stream of emigration pouring from the eastern provinces into the U. S. The help of priests was enlisted to induce French-Canadians to leave the New England factories and to take up land grants in the West. Writers, men of science, politicians, manufacturers, and others with a breadth of influence, were sent to examine for themselves this new country, and, lastly, it was at this time that the company inaugurated its campaigns to obtain sightseers and sportsmen; to accommodate these it became necessary to construct the best of hotels. It was thus that throughout Canada the word "chateau" has become synonomous with a C. P. R. hotel.

The flow of settlers was disappointing in the eighties; however, abundant harvests in 1890 and 1891 aroused eastern Canada in particular to the potentialities of the West, and "Westward Ho" became a general cry. The company aided the trek by encouraging the breeding of live stock, by establishing fairs, and by the importation of pure-bred stock.

Begins to Buy Grain

Crops of 1890 in the U. S. had been a failure; this also increased the movement to the West. In order to assist the farmers, who at that time were receiving minimum prices for their wheat, the road began purchasing grain at prices in excess of the current quotations. It was this which necessitated the erection of its own elevators at various points.

In order to augment the stream as much as possible, the passenger rate for colonists was reduced to 1c. a mile, and, in some cases, homeseekers were transported free. In 1890 the company, which had long had its eyes on the Atlantic seaboard traffic, had acquired a direct line to Saint John, N. B., and in the same year control of the Minneapolis, St. Paul and Sault Ste. Marie line was acquired. Thus the new company gained a better foothold in the East and gained protection against the tapping of its originating western business by U. S. competitors.

The commercial depression in the U. S. in 1890 hit the C. P. R. hard, and in 1895 the backwash of this depression finally caused the company to pass its dividend, whereon the stock dropped off to $35. But this was but a passing cloud; considerable betterment took place the following year, to which the opening of mines in B. C. and the Lake Superior districts was a contributing factor. A fine harvest in 1895 improved the earnings, and payment of dividends was recommenced.

After four years of depression the springtide of prosperity flowed in again. A new government under the leadership of Laurier had received an overwhelming majority at the polls and a strong man, Clifford Sifton, had been appointed minister of the interior. He it was who, aided by the more general prosperity, was able to inaugurate a vigorous immigration campaign. Then came the Yukon rush of '97 which heralded the name Canada to the uttermost parts of the earth and whose exploitation benefited the C. P. R. through the increased traffic.

By 1898 the real construction period of the railway was completed. Its road stretched in an unbroken chain from Halifax to Vancouver; there were branch lines in the West reaching as far northward as Edmonton and Prince Albert; there were branch lines in the East and there was the Soo line in the States which prevented U. S. lines seizing traffic originating on the C. P. R. His long day's work completed, it was then that Van Horne resigned the presidency of the road, and Shaughnessy labored in his stead.

Montreal Organizes Yet Another Exchange

From Our Own Correspondent.

MONTREAL.—This city is shortly to have a curb market which will operate independently in its own quarters in the financial district. To begin with, the new market will handle all the transactions which are at present put through by the unlisted department of the Montreal Stock Exchange. Later, other securities will be added from time to time; it is anticipated that, in future, transactions in mining shares will form no small portion of the total trading on the new curb exchange.

The body behind the new exchange is the Montreal Curb Association, in which there are 100 seats, 77 of these being allotted to members of the Montreal Stock Exchange, leaving 23 available for sale.

The following officers of the new body were elected at a meeting held last week: Chairman, Malcolm C. Oswald, of Oswald and Drinkwater; vice-chairman, H. Austin Ekers, of Ekers, Cushing and Co.; and secretary-treasurer, A. S. Cassils. The board of management is composed of the following: W. Marler, F. S. Matthewson, Grant Johnston, Russell Cowans, G. H. Turpin, and J. G. Garneau.

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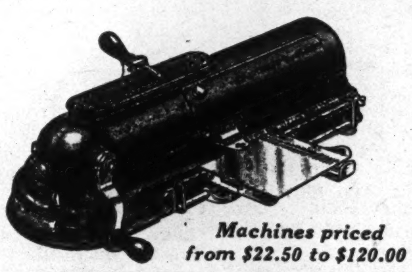
Lost! A Hundred Million Dollars



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NEW ISSUE

$300,000
Canadian Paperboard Company Limited
7% Cumulative Preference Shares

The Cumulative Preference shares are fully paid and non-assessable; preferred as to assets and dividends; entitled to preferential cash dividends at the rate of seven per cent. per annum payable quarterly April 1st, July 1st, October 1st and January 1st, by cheque at par at any branch in Canada of the company's bankers (Standard Bank of Canada). Redeemable as a whole or in part at the option of the company on sixty days' notice at 105 and accrued dividend.

TRANSFER AGENTS: Montreal Trust Company

CAPITALIZATION

	Authorized	Outstanding
7% First Mortgage Bonds	$1,500,000	$ 710,000
7% Cumulative Preference Shares (par value $100)	1,000,000	300,000
Common Stock	4,000,000	2,100,500

From a letter of Mr. J. G. G. Kerry, President of the Canadian Paperboard Company Limited and of the Northern Paperboard Company, Limited, we summarize as follows:—

BUSINESS AND PROPERTIES—The Canadian Paperboard Company Limited, incorporated under Dominion charter, owns and operates modern plants at Montreal, Quebec; Frankford, Ont.; and Campbellford, Ont., with mills presently equipped to turn out daily 115 tons of paperboard, containerboard and allied products. This capacity will shortly be increased to 155 tons per day. It is the largest manufacturer of these products in Canada. The Company owns its own groundwood pulp mill at Frankford, which supplies a considerable part of its groundwood requirements.

In addition the Company owns all the Preferred and Common shares of the Quinte and Trent Valley Power Company operating hydro-electric power plants at Frankford and Campbellford with a present installation of 4,000 h.p. and an ultimate installation of 6,000 h.p. The installation of the present units was recently completed and will mean a saving to the Paperboard Company, directly in lower power costs and indirectly through dividends on Quinte and Trent shares, of $40,000 per annum.

PURPOSE OF ISSUE—The proceeds of this preferred stock issue will be utilized in part to liquidate capital expenditures made and to be made on the fuel units at the Frankford and Montreal mills and for the general corporate purposes of the Company.

ASSETS—The balance sheet as at February 28, 1926, after giving effect to the present financing and after deducting First Mortgage bonds shows:—

Fixed Assets consisting of lands, buildings, plants, machinery, etc., as appraised by the Canadian Appraisal Co. plus additions at cost less depreciation have a value of	$1,849,613.23
Net Current Assets, Investments and Advances including $300,000 Quinte and Trent Valley Power Co. 7% Preferred, 5,000 shares Quinte and Trent Valley Power Co., no par common amount to	734,274.29
Making a total value of	$2,583,887.52
Which after deducting First Mortgage Bonds outstanding	710,000.00
Leaves assets of	$1,873,887.52

Securing the present issue of $300,000 preferred stock or $624 for each share of preferred. This does not include amount representing value of Franchises, Goodwill, etc., or the $195,357.14 due from constituent companies which has since been settled by the transfer of 2,405 Preferred shares of The Northern Paperboard Company Limited to this Company.

EARNINGS—The earnings for the past three years and eight months, as certified by Messrs. Clarkson, Gordon & Dilworth, Chartered Accountants, were as follows:—

Year Ended	Earnings	Depreciation	9% Income Tax	Net
30th June, 1923	$ 72,225.75	$ 50,000.00	$ 1,820.32	$ 20,405.43
30th June, 1924	163,493.81	50,000.00	10,034.44	103,459.37
30th June, 1925	96,034.21	50,000.00	3,963.08	42,071.13
Three-year average	110,584.59	....	....	55,311.97
8 months ending 28th Feb., 1926	86,257.60	33,333.33	4,643.19	48,281.08

Taking into consideration the reduction in operating expenses made possible through the development of the company's subsidiary's hydro-electric power at Frankford and Campbellford, together with savings effected through the installation of the new fuel unit in Montreal, Mr. J. G. G. Kerry, the President, estimates that the earnings for the year ending 31st March, 1927, available for preferred dividends, depreciation and taxes, should be at least $190,000, or after providing for depreciation and taxes, $127,400.

THE NORTHERN PAPERBOARD COMPANY LIMITED

The Northern Paperboard Company Limited, incorporated under Dominion charter, controls the Canadian Paperboard Company Limited through Common stock ownership. The Northern Paperboard Company Limited also owns all the outstanding capital stock of the Tidewater Paperboard Company (charter of the State of Connecticut), which will operate a modern paperboard and containerboard mill at Norwich, Connecticut, with a present capacity of 100 tons and an ultimate capacity of 250 tons per day.

EARNINGS ON BONUS STOCK—Based on the operating results of the Canadian Paperboard Company Limited and predecessor company for the past eight years and from the volume of business in sight, Mr. J. G. G. Kerry, President of the Northern Paperboard Company Limited, estimates that the earnings accruing to the parent company from the two subsidiary companies after providing for all prior charges, including interest on $1,300,250 Preferred stock, should be about $100,000 per annum, equal to nearly $4 per share on the 26,005 shares of Northern Paperboard stock outstanding. On the ultimate capacity of 250 tons per day at the Tidewater mill, Mr. Kerry estimates that earnings applicable to the 26,005 shares of no par value will amount to at least $240,000 per annum or over $9.00 per share.

Price $100 per share and accrued dividend

with a bonus of one-half share Northern Paperboard Common with each share of Canadian Paperboard Preferred

Fractional shares of no par value Common Stock of the Northern Paperboard Company will be adjusted at $25.00 per share.

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TORONTO, MAY 28, 1926

The Financial Post's Platform for Canada

Promote national unity.
Reduce taxation; curtail public waste.
Conserve Canadian resources for Canadians.
Develop production and manufacturing to the highest point in Canada.
Settle our vacant lands.
Encourage individual initiative.
Induce and protect investment of capital in Canada.

NAILING THESE SLANDERS

MORE optimistic news comes from Washington. There is reason to believe that Congress will not, at its present session, at least, pass the Lenroot Bill that would shut out Canadian cream from American markets.

The bill was, in the first place, based entirely upon prejudice. New York state dairy interests tried to railroad it through the house by slandering the good name of Canadian products. American business papers and other journals did not hesitate to inform their readers that the charges of impurity, made against Canadian cream, were merely political dodges. The promoters of the bill have found the going rather rocky.

Every once in a while, some Canadian product comes in for a campaign of abuse abroad. Canadian cattle were given a touch of this treatment in the United Kingdom a few years ago when rumors of diseased Canadian cattle were raised. Canadian newsprint paper was put under suspicion in the United States, but in this case the campaign took another turn. The charge was made that Canadian newsprint that entered the United States, was too good and therefore was not newsprint but book paper, and hence, dutiable.

Adoption of grading on agricultural produce, the adherence to the production of quality goods and proper publicity abroad will help to prevent recurrence of these mean and underhand attacks in other countries upon Canadian products.

A TARIFF FOR ALL

A NOTE of reason is creeping into our tariff controversies. A good many people are discovering that points of view that once seemed far apart, are not so antagonistic as they thought. Out of the present national indecision in fiscal policies is bound to grow a more logical policy than that of the out-and-out free trader who thinks industrial leaders stay up nights thinking of ways to rob him, or of the occasional manufacturer who wants the tariff to do for him what he should do for himself by modern production systems and aggressive merchandising methods.

We have the manufacturer's viewpoint expressed in the most reasonable terms by Elmer Davis, retiring president of the Ontario division of the Canadian Manufacturers Association, the other week, when he told the case for industry in terms that could not in the slightest have offended a distinguished agricultural leader, A. W. Amos, who sat beside him. We had it told this week by the head of one of the industrial groups that has been most severely hit by tariff instability. C. Gordon Cockshutt, president of the Canadian Woollen and Knit Goods Manufacturing Association, asked for tariff certainty and pointed out that this would bring prosperity to every group in Canada. He talked in language that the farmers could understand.

Even the Western farmers are not so opposed to the creation of industrial wealth in Canada as might be guessed from a reading of the remarks of their more extreme spokesmen, whose catch phrases get into the newspaper headlines, while the more moderate, thoughtful views of the real agricultural leaders are given less attention.

The Saskatoon Star assures us that the Western farmers wish to see the industries of Eastern Canada grow and prosper. "Hardly any of them (the farmers) are free traders. They would agree with President Beatty of the C. P. R., that 'tariff stability' is much to be desired. All they object to is the use of the tariff as a basis of price fixing and extortion. It is in this spirit that they approach questions of fiscal policy."

There are many differences of opinion on the tariff; they chiefly relate to the details to be worked out of a tariff policy for all. But when we begin to realize that we are all going in the same direction and working for the same ends, it is not going to be hard to adjust these differences.

EMPIRE ADJUSTMENTS

FOR hundreds of years the population of the British Isles remained fairly stationary at about 7,000,000. Then came the industrial revolution. Because Great Britain could produce both cheap coal and iron, world-wide industrialization increased her earning power by six-fold and her population increased to some 40,000,000, a figure at which it has since remained.

But now coal miners and employers are deadlocked and so far have not been able to reach an agreement. Coupled with this fact there is the knowledge that coal can be mined, and steel made as cheap or more cheaply in the United States. In other words Britain no longer dominates in coal and steel, and the fact that other nations have been getting ship contracts—a field in which Glasgow and Belfast were long predominant—confirms this premise.

If, then, in the future Britain is no longer able to compete on as favorable terms with other nations as she has done in the past, would this not indicate that there is no longer justification for her population remaining at 40,000,000 and that a decline will occur? Such a decline would naturally be a slow process, but it may presage emigration as a national policy.

In other words, Canada should watch closely, and if the economic trend forces emigration from England, there is no reason why it should not bring in its train immigration to our shores.

GROWING OUR OWN

THAT Canada will ever be self-contained in the production of its own tobacco is to be doubted, when the many and varied tastes of men—and in these days, women—are considered. But the country is greatly enlarging its production of the tobacco it consumes and to-day many farms are thriving on the plant that Raleigh made famous and that has since founded many an enormous family fortune.

Announcement that the Imperial Tobacco Company will spend a quarter of a million dollars on a plant in Chatham, Ontario, calls attention to the growing importance of Western Ontario in the production of tobacco. Tobacco will likely bring $6,000,000 or more to the farmers in the tip of what used to be called Western Ontario, but which could with more reason now be called South-western Ontario.

Imperial Tobacco is the largest manufacturer of tobacco products in Canada and has always given sound and generous encouragement to the growing of tobacco on Quebec and Ontario farms. Construction of its new plant seems to be in line with its policy of encouraging home production of Canada's supplies. Unofficial figures place at about 60 per cent. the proportion of the Imperial Tobacco Company's consumption of tobacco leaves that it buys in Canada and the percentage is growing.

Canada is building up a substantial export trade in tobacco. Over 2,000,000 pounds of Canadian tobacco went abroad in the first eleven months of the fiscal year that recently closed and, while this was a decrease from the total for the previous year, it represented a substantial increase in dollars and cents and also represented a goodly spurt in the general trend of the export movement. The total value of tobacco exported in the eleven months was $850,000. Placed against our imports of 14,000,000 pounds valued at $6,700,000, the exports seem small, but it is significant that they are growing.

As tobacco users, we Canadians have not largely followed the injunction to roll our own but we are beginning to grow our own.

EDITORIAL NOTES

"NEW PLANTS brought into Canada," says a headline. But it appears that they are shrubs from the Antipodes and not American branch plants, which have little incentive to come under present conditions.

* * *

EFFORTS are being made to create political capital out of reports appearing in The Financial Post indicating improved conditions in some lines of business in Canada. It might be pointed out that, as President Beatty, of the C.P.R., intimated some time ago when predicting better conditions, that the improvement is in spite of political parties rather than because of them.

Immigrants to Come if Assured Steady Work

Prosperity of Country's Industries the Foundation of Successful Immigration Policy — Newcomers Are Not All Farmers

By SIR CHARLES GORDON, G.B.E.

We have a great many problems in Canada of an economic and industrial nature. Possibly Canada is peculiar in that way. I think I may say that, due to our geographical position, situated as we are with the United States to the south of every single Province of our Dominion, from the Atlantic to the Pacific, with the exception of the little Province of Prince Edward Island, being practically vis-a-vis with a tremendously prosperous country, we have a problem which is an economic problem as well as an industrial problem.

Some of the older countries of the world, like the countries of Europe, for instance, are not faced with problems such as these. They are working along. They have not got the question of filling up their country. They have not got the problem of developing vacant lands, as we have it. They have not got a railroad question. They have not got a question of population, which we have. Their business is rather to make the best of what they have got, than to expect to extend either their territory or their railroad systems or their population.

Other countries of our own Empire, like Australia, for instance, South Africa, New Zealand, and many of the other colonies or crown colonies which I might name, have not got that problem, either, that we have. If Australia institutes an immigration policy, they can be pretty sure of getting something for their money, because when they bring a man to Australia, or to South Africa, or to some far away place, with no United States vis-a-vis to it, they have got him and he is there for keeps. The money they spend in getting him there is well spent, because he has got to take what he can get when he arrives there. And if they tell him he must be a farmer, or he must be this or that, the principal occupations of that country, whatever it may be, he has to settle down for that. He cannot buy a ticket for $2 or up to $10 and skip across the border and get a job somewhere else, but he has to settle down right there and take what he can get.

Rightly or wrongly, some twenty or twenty-five years ago, a great many people in Canada,—I would say nine-tenths of the people in Canada, conceived the idea that we were going to be a second United States during the following twenty years, or something approaching it. We never can be that, of course; the extent of our habitable territory after all I do not suppose is more than fifteen per cent. of the United States, and therefore it is not possible for us ever to hope to catch up to them in the matter of population. I do not think it is. However, as I say, rightly or wrongly the great majority of our people conceived the idea that we were going to have very great expansion in this country; and with that end in view, the end of making ready for such great expansion and taking care of it when it came, we spent a tremendous amount of money, many, many millions of dollars, on civic institutions, on educational institutions, on industrial establishments. And, in fact, we spent money all along the line so as to be prepared for this expansion when it came. Now the question is: Have we got it?

Other Employment Needed

I do not want to be pessimistic at all. I think possibly we have our eye on the United States a little too much. That is to say, we cannot hope to enjoy the same degree of prosperity as that country does. But there is one thing we must do, and that is, if we are going to institute immigration policies, and if we are going to get any good out of the money we spend, outside of those who are put on the land,—they stick at it pretty well,—we must take into consideration that, of every family that comes to this country assisted by the government, that is by the taxpayer, of course, we cannot expect all of that family to go on the land, and we have got to be prepared to see that some other employment is ready for them when they come here, some form of industrial employment.

Our agricultural interests, of course, are our greatest interests, and I know that any immigration policy which the present government or any other government puts into effect will have the hearty co-operation of every industrialist and everybody else. But I do say this, and I think you will agree with me, that if the government put all their effort to bring agriculturists here, and do not also direct their efforts to creating industries and making more work in this country, this country cannot go ahead. It is impossible. You will end up at the end of ten years with a very meagre increase in the population, because just as many people will go away as will come in. And that is what is happening. We have got to produce opportunities in this country.

The great menace to the growth of Canada is its proximity to the United States, and this is a strange thing to say, because it ought to be that the United States with all its prosperity should be a field for a great many different kinds of goods and business; of course it is a field for some businesses, but not for many; the pulp and paper business find there a field, there is no doubt; but on the whole it is more of a menace than it is an asset to us, because, as I have said, we are vis-a-vis with them from the Atlantic to the Pacific. And, unless we can give opportunities and work in this country at something like the same wage that is paid in the United States, we cannot expect to keep those who may come to us. You cannot pay $3 a day here and expect a man to be patriotic enough to stay here if he can get $5 or $6 a day just about two hours' travel from here; that is where he is going to go the first chance he gets.

Easy Access to States

They may say it is hard to get over there, but it is not hard. I know that when one of our mills is closed down for over two weeks we lose help by the hundreds; and there is not much trouble for them to get in there, either, because they want good Canadians on the other side of the line.

Another point which I want you to bear in mind, and the most important point in the whole situation, so far as this country is concerned, I think, is this, that the rising generation,—and those are our big asset,—our sons and daughters, who are our principal assets after all, all want to stay in this country. They are a liability until they come to the age when they can go to work, when we have to clothe and feed them and bring them along to the point where they are able to go to work when they become an asset. And what are they doing? We are losing these great assets through not being able to offer them opportunities in this country such as they should have here. They do not want to go away from here; nearly every single one of them wants to stay in Canada.

I talked to a college principal the other day and asked him how many of your boys that we have had the expense of educating here in this university go to the United States? Well, he said, I am very sorry to say far too many of them go. I said, Can you give me the actual figures? No, he said, I cannot give you the actual figures, but I will get them for you, but I will say this, that a very great number of them go away from here.

I do not want to go into the realm of politics. I do not want to say what I think is the cure for this situation. I can leave that, I think, to your imagination, and it will not require much stretching of your imagination to understand what I mean.

I feel, gentlemen, that this is our great problem, in order to take care of the overhead which this country is now carrying, there is only one way of doing it. We have to have a steady flow of immigration, not too many at a time. I do not want to see a million people come in here in a year, because we could not take care of them; but we must set some figure, perhaps, 300,000 or 500,000, we must set some objective and we must reach that for the next ten years if we are ever going to cut down the burden of capital expenditure which this country made during the years to which I have referred.

I do not say that any government did that. I think we may fairly say that both parties were committed to those expenditures. It was the general people, or the great majority of them any way, and those expenditures were made because our people believed that a period of expansion was coming. Now our problem is to use those things; and the only way to use them is to get more work all along the line; but, as I have said, do not depend upon agriculture alone, although that is the main source of wealth, that and mining, forests and fisheries. But in a country like Canada, if we are to keep our rising generation at home, and keep those people who come here as immigrants, assisted or otherwise,—they will come without assistance,—we must give them opportunities for employment.

If we could build another cotton mill tomorrow,—we cannot do it because our production is greater than is required for the moment in this country, due to the expansion which we ourselves made during that period,—you would not have to assist anybody to come to it and become a workman. They will come. We will get them without any assistance, without any expense to the country whatever. They will come right there, and the mill would be fully manned in no time. They will come from the Old Country, from the United States, and from all over the world, if there are opportunities for employment.

The problem is to develop along the proper lines so that we will attract to this country people who will increase our population and divide that expense from which we are suffering at present among a greater number of inhabitants.

Current Opinion

SITTING ON OUR MONEY

Kingston Standard.—Our universities seem to be engaged very largely in training men for the benefit of the United States, and the men from that country are wise enough to be using the resources of Canada for their own advantage. The lesson seems obvious. It is that Canadians should not sit so tightly on their money, but venture some of it not only in mining, but in industries of various descriptions. It is no use, and it is not fair, to complain of graduates and others leaving Canada when good opportunities do not offer themselves here. Canadians have the money and they have the finest resources in the world; to build up a prosperous country they should use the first in developing the second.

GIVING BUSINESS TO U. S.

Canadian Machinery.—The Robb budget has been very well received in many industrial sections of the United States, newspapers there lauding the stimulating effect it will have on export business. That this belief has been still further strengthened by the intimation that a further reduction in the tariff is contemplated on automotive components not now made in Canada, there is little reason to doubt.

The Michigan Manufacturer and Financial Record, Detroit, in reviewing the situation, says:

"Tangible results of the recent reduction of tariff on Canadian imports of automobiles are already to be seen in the orders being received from Canada by manufacturers in the United States, despite the fact that some of the concerns involved have branch plants in that country.

"The Buick Motor Car Co. has received an order for immediate shipment to the McLaughlin Motor Car Co., at Montreal. This is the first order for a finished car ever received from Canada by the company, and, according to H. H. Bassett, president and general manager, it provides opportunity to establish a substantial business for American automobile manufacturers in the Dominion.

"The Chevrolet Motor Co. also has received an order for immediate shipment of 100 cars to its Winnipeg dealer."

If this is a prelude to the prosperity of the automobile builders and part makers, predicted by Hon. Jas. A. Robb, as a result of the tariff provisions of his 1926 budget, it is all too evident Mr. Robb had in mind the plants in the United States—certainly not those in Canada.

The Head of Woolworth's

Wall Street Journal.

A product of Toronto, Hubert (not Herbert) Templeton Parson spent his boyhood in Watertown, N.Y., so it was only fitting that later he should join the F. W. Woolworth organization; for it was in Watertown that the five and ten-cent idea of merchandising was born. Educated in the grade and high schools of Brooklyn, he was just twenty when he started as an accountant with Frank Woolworth, in 1892. Later secretary, treasurer and general manager, he became president when the Woolworth founder died, in June, 1919.

A great believer in his business, the late Mr. Woolworth some years ago confided with associates, in a moment of enthusiasm, that "some day we will have 100 stores and sell $100,000 in goods in a week." He saw that prophecy more than realized, but the business has passed beyond his dreams, handling $240,000,000 of trade in 1925, and with one day's business, Christmas eve, exceeding $3,000,000.

When he reviews the business outlook, Mr. Parson commands a big audience, for retail merchandising is the backbone of trade, and he has not only wide experience, but a complete check-up on national business from stores all over the land. Since his incumbency as president, the Woolworth sales profits have doubled, profits increased 250 per cent., preferred stock retired, and the famous $50,000,000 of "good will" written off the balance sheet, all without outside borrowing of additional working capital.

He has numerous hobbies, including music, flowers and European travel. But the Woolworth business commands practically all of his time, for his aim is to make it bigger and better each year. Aside from being president and one of the largest Woolworth shareholders, he is head of the Woolco Realty Co., owner of the Woolworth building; a director of the Irving Bank-Columbia Trust Co., and was executor of the Woolworth estate.

The bust of Napoleon, sketched in by Major, is one of the numerous mementos of the Little Corporal that adorn his office, formerly the headquarters of the late Frank Woolworth, who had a life-long admiration for the warrior of France. The perennial flower in the Parson buttonhole is held fast by one of the silver vessels presented some years ago by the late Frank Woolworth, also a lover of flowers, to the Woolworth executives.

When abroad, his headquarters are in his Paris apartment; his town house is on upper Fifth Avenue, while the country place is the famous "Shadow Lawn" on the Jersey coast, the summer White House during the Wilson administration. He is neither a dry nor a wet on golf, taking it "moderately," perhaps because there is no starting time necessary on the course located on the "Shadow Lawn" estate.

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FRIDAY, THE SECOND DAY OF JULY
next, to Shareholders of record at the close of business on the Fifteenth day of June.

By order of the Board.

WALTER F. WATKINS, Secretary.

Toronto, May 19th, 1926.

A Business Man's Investments

The investments needed by a business man are of widely different types—and for purposes differing as widely.

The business man's investment requirements may be in connection with his own business or company, for reserves or special funds. These may have to be of the most marketable or liquid types. On the other hand, they may have to be distributed only at some fixed time in the future and be of a less liquid character with appreciably higher yields.

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Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Mount Royal Hotel

B.A.H., Calabogie, Ont.—Are the preferred shares of the Mount Royal Hotel a hold or a sale?

As the Mount Royal Hotel was built at a time of peak prices we should say that it would probably be a long time before you recover the full amount of the purchase price of this stock. However, the hotel has been successful in obtaining more and more business. Earnings this year show an improvement and with the best months of the year yet to come we believe that the 1926 annual report will be decidedly better than last year. That the outlook for the hotel is much improved is evidenced by the offer lately received and turned down by the preferred shareholders. We should say that the stock at present levels is decidedly speculative, but on the other hand, if you are prepared to retain your holdings we believe that market prices will in the long run show an appreciation.

Atlantic Sugar

G.E.K., Elrose.—I hold a block of common stock in the Atlantic Sugar Refineries and have been advised to sell these holdings immediately. Please let me know the position of the company.

The position of the Atlantic Sugar Refineries has been much improved of late due to the refinancing and the settling of the debt with the raw sugar creditors of the company. However, although business has been excellent during the past year, we see little hope for any great appreciation in the common stock for some time to come for, over the next few years, the company has very heavy sinking fund charges to meet. Therefore, we should say that if you are willing to hold your Atlantic Sugar common for say four years you might obtain a decided appreciation in its stock market value, but, on the other hand, you must realize that naturally such a course is speculative. During the last few weeks we notice that the output of the Canadian sugar refineries has fallen off slightly. However, those in touch with the affairs of the Atlantic Sugar Refineries feel that the present year will prove as satisfactory as 1925 as far as earnings are concerned.

Winnipeg Electric

M.R.C., Bathurst.—I am rather worried about my holdings of Winnipeg Electric preferred. Do you consider that I should hold on?

From the last annual report of the Winnipeg Electric Company you will see that the net income applicable to preferred dividends amounted to $447,554, as compared with dividend requirements of $210,000. After paying its preferred dividends, the company deducted a further $232,000 for sinking fund reserve and deferred and undistributed charges; but even including this figure as a charge before the preferred dividend the earnings were over dividend requirements. We believe that Canada in general, and Western Canada in particular, will make progress over the next few years. If this be so, there is little doubt that Winnipeg will progress also and, as the city moves forward, so should the company gradually be able to turn in a stronger balance sheet each year.

Walsh-Katrine

Reader, Jamaica.—What is your opinion of Walsh-Katrine shares which have been offered a client?

Walsh-Katrine Gold Mines is located in the eastern section of the Kirkland Lake area and is a prospect of considerable merit. The property is in fairly good hands, and I believe that any one speculating in the shares would get a fairly good run for his money. The big question is at what price the shares are offered. I would hesitate to recommend anyone to pay par for them, because I know that the company has been selling them here in Canada at a lower rate.

Canada Steamships

A.L.W., Three Rivers.—I bought Canada Steamship common at 12. Is it a hold or a sale?

You already have a profit on Canada Steamship, common. Through the absorption of the Playfair interests, the company's position has been much bettered and therefore indications point to a gradual increase in the stock market value of this security. However, on the other hand, you must remember that the president of the company has declared that the prospect of a dividend on this stock is so remote that it need hardly be considered.

Canada Steamers

G.G.W., Franklin Centre, P.Q. — I bought some "Steamers" common at 10. What is your opinion of this stock at present market prices?

If you bought your "Steamers" for a speculation and a quick profit, you already have it and it might be a good sale. However, your opinion of "Steamers" has certainly been justified and with the improving position of the company the stock might sell higher. On the other hand, you must not forget that the president, W. H. Coverdale, has declared that the possibility of a dividend on this stock is so remote that it can hardly be taken into consideration. Therefore, if you desire to hold your "Steamers" common your should be prepared for a long and speculative hold.

Canadian Paperboard

W. E. C. B., Winnipeg. — Do you consider the recent issue of preference shares of the Canadian Paperboard Co. carrying a bonus of common stock of the Northern Paperboard Co. to be a good purchase for a long hold?

The Canadian Paperboard Company is the largest manufacturer of cardboard in Canada. The product is manufactured chiefly from waste paper and is used largely in the manufacture of packages, cartons, and shipping cases; these, during recent years have all experienced a rapid growth in popularity. One of the features of this company is the fact that its supply of raw material is steadily increasing, as over 85 per cent. of the raw material employed consists of waste paper. It operates three plants and in addition controls a subsidiary power company.

The uses to which cardboard may be put are increasing and therefore, as the company operates under an excellent and efficient management we should say that such a purchase would be a good buy for a long hold.

The bonus of common stock lends, also, an attractive speculative value to such a purchase.

Ames-Holden McCready

D. F. S., Manitoba.—I held for some years a number of Ames, Holden preferred shares. When the company was reorganized in 1923, I paid the call and received a small sum as interest in 1924 on notes given by the company. Last year I have received nothing either in the way of a payment or notification of final liquidation. Is this company dead, or are there still hopes for its resuscitation?

All creditors of the Ames-Holden Company will shortly receive a statement from the company's liquidator, Gordon W. Scott, of P. S. Ross and Sons, Montreal. We learn that there is practically no possibility of the company's creditors receiving anything in the liquidation. Shortly, some of the preferred creditors such as the bondholders will receive an interim dividend, but as far as we can learn there is no hope whatever for any of the ordinary creditors of the company. Rumor has it that the bondholders will only receive around 50 cents on the dollar, so that, naturally there would be nothing left for you. There is no chance whatever of any resuscitation of the company.

McKinnon Industries

W. J., Montreal.—How do you regard McKinnon Industries preferred? Do you think dividend is safe? Is the common promising as a hold?

Shares in McKinnon Industries were listed in March, preferred appearing at 92 and moving back to a low of 88 recently, it is now selling around 89. Common appeared at 26 and recently sold at 17. The company has issued $1,000,000, 7 per cent. preferred and 50,000 shares of no par common. Standing ahead of these issues are $1,000,000, 6½ per cent. bonds due 1945. Doubtless the recent weakness in the shares is due in part to the fact that the company among other things, makes auto accessories and some feared that earnings might be hurt by recent budget changes. The statement issued at the time the bonds and shares were offered to the public, showed the combined assets of McKinnon Industries as $3,287,169, and net current $1,162,096. Profit are wise enough to be using the following sums available for bond interest and dividends after taking care of taxes and depreciation: 1923, $214,467; 1924, $207,304; 1925, $239,462. The original preferred offering was at 98 with a half share of common, which to-day gives a market for the one preferred and half share of common of $97.50.

Dominion Steel

M.J., Danville, P.Q.—I should like to obtain full information on the preference shares of the Dominion Steel Corporation, please.

The Dominion Steel Corporation is a subsidiary of the British Empire Steel Corporation. The latter owns all the common stock in the former. The Dominion Steel Corporation is also a holding company and owns all the common shares of the Dominion Iron and Steel Company, the Dominion Coal Company, Cumberland Railway & Coal Company, Dominion Shipping Company, James Pender & Company and the Sydney Lumber Company. The preference shares of this company change hands in London, England.

As the British Empire Steel Corporation does not publish the reports of its subsidiary companies, it is impossible to say how business has been with any one of these subsidiaries. The preference shares of the Dominion Steel Corporation are the first charge upon the earnings of the company, as there are only $2,000 of debentures outstanding. It may be said, then, that the value of the preference shares of the Dominion Steel Corporation really depends upon the value of the common shares of the Dominion Iron and Steel Company and the Dominion Coal Company. The last quotation we saw on this stock was around 22.

The management of Besco is working out some plan of re-organization—it is pretty generally felt that this plan will provide for some drastic scaling down in some of the junior outstanding security issues. In the meantime, the Besco management is giving out no information as to the probable course of the plan of reorganization.

In any consideration of the preference shares of the Dominion Steel Corporation, it must not be forgotten that this company holds $3,500,000 income bonds of the Dominion Coal Company and a like amount of income bonds of the Dominion Iron and Steel Company. These bonds rank after the mortgages on the two subsidiary companies; thus in the event of any drastic reorganization, it seems that the preference shares of the Dominion Steel Corporation would rank higher than the other preferred issues of Besco and its constituent companies.

June Dividend Payments

Dividends	$16,413,814
Bond interest	18,221,842
	$34,635,656

Dividend Payments

Company	Rate	Date	Amount
Bank of Commerce	3q	1	$ 600,000
Bank of Montreal	3q	1	897,501
Bank of Toronto	3q	1	150,000
Brazilian Tr., com.	1¼q	1	1,332,295
B.C. Fishing	1¼q	10	53,647
Can. Bakeries, pref.	1¾q	15	17,500
Can. Cons. Rubber, pref.	1¾q	30	52,500
Crow's Nest Coal	1½q	1	98,139
Confederation Life	5q	30	5,000
C.P.R. com.	2½q	30	6,500,000
Can. Nationale Bank	2½q	1	137,500
Belding Corticelli, pref.	1¾q	15	15,142
Dom. Radiator, pref.	1¾q	1	27,097
Dominion Life	4q	30	8,000
Famous Players 1st pref.	$2q	1	83,000
East. Koot. Pr., pref.	1¾q	15	13,125
Hollinger Mines	1.6m	.	287,000
Imperial Oil	25+25cq	1	3,255,763
Imperial Tobacco, com.	1½q	.	475,489
Do., pref.	3s	..	240,900
Inter. Milling, pref.	1¾q	1	40,761
London Loan	1¾q	30	15,600
Lake of Woods Mill., com.	3q	1	105,000
Do., pref.	1¾q	1	26,250
Loblaw Groceter. com.	25cq	1	18,000
Do., prior pref.	1¾q	1	9,359
Do., 2nd pref.	3q	1	7,110
London Life Insurance	4q	30	4,000
McIntyre Mines	5q	1	199,500
Montreal Cottons, com.	1½q	15	45,000
Do., pref.	1¾q	15	52,500
Montreal Loan	3q	15	18,000
N.B. Power, pref.	1¾q	2	17,500
Northern Mortgage	3s	30	60,246
Ogilvie Mill., pref.	1¾q	1	35,000
Ottawa & Hull Pr., pref.	1¾q	15	26,250
Premier Trust	2¾s	30	4,400
People's Loan & Sav.	2¾s	30	13,750
Port Hope Sani., pref.	1¾q	1	4,364
Provincial Bank	2¼q	1	67,500
Royal Bank	3q	1	732,000
Royal Trust	4q	30	40,000
Sher.-Williams, com.	1½q	30	60,000
Do., pref.	1¾q	30	60,112
Viau Biscuit, 1st pref.	1¾q	1	17,500
Volcanic Oil	63cq	10	422,990
West. Can. Flour, pref.	1⅝q	15	40,625
Western Groc., new pfd.	1¾q	15	20,899
			$16,413,814

s—Half-yearly. q—Quarterly. m—Monthly.

Bond Interest Due in June

Company	Rate	Date	Amount
Algoma Steel	5	1944	$145,000
Can. Car., scrip.	6	1927	24,417
Do. 1st mortgage	6	1939	116,691
Can. Converters	6	1926	5,970
Can. Pacific Rly.	4½	1944	675,000
Cuban Can. Sugar	6	1936	42,000
Dominion Glass	6	1933	34,884
Donnocona Paper	6	1940	87,420
Frontenac Brew.	6	1951	30,168
Imperial Tobacco	7½	1971	212,217
Lake Sup. Corp.	5	1944	131,750
Laurentian Hydro	6½	1934	16,250
King Ed. Hotel	8	1963	134,000
Montreal Steel	6	1940	14,655
Montreal Wat. & Pr.	4½	1932	107,660
Do.	5	1932	24,497
North. Cap. Power	6½	1938	146,250
Northwest Utilities	7	1938	113,750
Ogilvie Flour, Ser. "A"	6	1932	30,000
Do., Ser. "B"	6	1932	22,500
Do., Ser. "C"	6	1932	18,000
N.S. Tramways	5	1946	56,250
Maritime Telegraph	7	1945	35,000
Ottawa Electric	5	1933	28,125
Ottawa Mtl. Power	6½	1949	48,750
Ottawa River Pr.	6½	1953	105,625
Prov. of Ontario	4	1939	70,000
Quebec Rly.	5	1939	228,775
Sao Paulo Trams.	5	1929	150,000
Shaw. Water & Pr.	5½	1950	165,000
H. Smith Paper	6	1934	12.102
St. Maur. Paper (notes)	5½	1929	65,000
Standard Clay	6	1942	18,384
St. Maur. Val. Cotton	6	1952	67,566
St. Law. Sugar	6	1932	60,000
Shaw. Cotton	6	1949	29,040
Trinidad Electric	5	1931	18,000
Wabasso Cotton	6	1947	25,230
West. Koot. Power	6	1943	52,500
			$3,368,426
Corporation bonds			$3,368,426
Municipal bonds			*3,400,000
Provincial bonds			*2,800,000
Victory Loan	5½	1927	1,744,523
Do.	5½	1937	6,498,217
Dominion Loan	3½	1909-34	410,676
			$18,221,842

*This figure is determined by dividing by 12 the estimated total interest payable during the year on these issues.

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GEORGE EASTMAN, president of Eastman Kodak Company, declares that time is the essence of all business records and that it is important, therefore, that units of time be invariable. He makes the point in advocating calendar reform, which he maintains is of importance to the business world. Adoption of a thirteen-month calendar, according to Mr. Eastman, would result in thirteen monthly settlements during the year instead of twelve. This would result in a faster turnover in money, and the same annual volume of business could be handled with less money.

"Business men," he says, "are becoming more and more dependent upon accounting and statistical records for the proper conduct of their affairs. It therefore becomes increasingly important that the periods of time, which form the basis for all records, should be invariable. The day and the week are invariable and the year virtually so, but the month, the quarter and the half-years are not equal and uniform.

"Many concerns have already adopted a thirteen-month calendar for their records and are getting some of the advantages of the proposed plan, but there are obvious disadvantages to using two calendars. Only universal adoption of the proposed plan would be of real benefit to business as a whole."

SPEAKING of the home products movement, "Pure Para," Dunlop Tire house organ, tells of a Farmers Union lecturer who was speaking to the farmers of Texas of their mistake in discouraging manufacturing. He said: "The great mistake with the Texas farmer is that he doesn't live at home; he depends on selling cotton too much. You are continually buying something, and you don't ever sell anything. To illustrate what I mean, I need but call your attention to the fact that when you awake in the morning it is to the alarm of a Connecticut clock. You get up and button on Chicago suspenders to your Detroit overalls. You go out and wash your face with Cincinnati soap, in an Indianapolis wash basin. You sit down to your breakfast and eat from a table made in Grand Rapids, Mich., and you eat Chicago meat. And your bread is made of Tennessee flour, cooked on a St. Louis stove. You go out and put on a New York bridle on a Kentucky mule, fed on Iowa corn, and plow your farm all day, which is covered with a Massachusetts mortgage. And at night when you get home you read a Bible printed in Boston and you say a prayer that was written in Jerusalem. And you crawl under a blanket manufactured in New Jersey, to be kept awake all night by a d——d dog—the only home product you have on the farm."

New Income Tax and Your Investments

Radical changes in the plan and scale of taxation are announced by the Dominion Government.

A digest of these changes, with particular reference to their effect on investors, is now being prepared by our Statistical Department and will be mailed on request.

Ask for Tax Circular 4

Greenshields & Co
17 St. John St., Montreal
also Mount Royal Hotel Building
TORONTO 14 King Street E. OTTAWA 46 Elgin Street
QUEBEC 80 St. Peter Street

Suit Over B. C. Mine Stock Involves Many

VANCOUVER. — Naming prominent men and firms in British Columbia as defendant and alleging fraud and failure to carry out the terms of an agreement, W. Rush and Arthur L. Bagg, pioneer mining men of the Stewart district, have launched an action in the supreme court for damages in the sum of $600,000.

Plaintiffs allege that certain shares in claims located by them in the Stewart district were sold by Major A. R. Ross and other defendants at a lower sum than was specified in an agreement entered into between the parties, which stipulated that 200,000 treasury and 50,000 vendor's shares were to be sold at 20 cents per share, whereas a sum equivalent to half that amount was realized.

The plea of the plaintiffs hints at collusion with the Guggenheim interests, to the detriment of the former, those named in the action including the American Smelting and Refining Co., Ltd., Major Ross, Hon. A. M. Manson, Attorney General Col. A. L. Jacob, A. E. Haynes, Commander C. H. R. Slingsby, Col. R. D. Davies, J. B. Shaw, P. Denart, and F. C. Elliott.

The oil shales and torbanites of Pictou Co., Nova Scotia, are to be developed by a new concern, Oil and Nitrate Products Ltd., a $3,000,000 provincial company.

Municipality of Point Grey, B.C.

5% Bonds

Maturing: 1940 - 1941 - 1946 - 1956 - 1966.

Interest payable half-yearly.

Denominations: $1,000 and $500.

Point Grey is the wealthiest residential section of the Vancouver area. Although a separate municipality, it is to Vancouver as the Rosedale section of Toronto is to that City. The total value of assessable property—land and improvements—exceeds $50,000,000—an increase of $17,000,000 in the last five years. During this period, building permits totalled $18,710,164. In 1925, the total value of building permits was exceeded in only three municipalities in Canada—Toronto, Montreal and Vancouver.

Price: 99.25 and interest, yielding from 5.04% to 5.08%

Fully descriptive circular with map gladly furnished upon request.

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United States of Brazil

6½% External Bonds Due 1957

The United States of Brazil with a population of about 31,000,000 has an area equal to approximately half the continent of South America.

The country has vast natural wealth, being rich in lumber, rubber, iron ore, precious metals, sugar, cotton, tobacco and fruits of all kinds. It has practically a monopoly of the world's coffee business, producing over 60%.

The national wealth is estimated at $16,000,000,000, or 16 times the total debt, which is very low, being only about $30 per capita. Revenues specifically pledged as security and available for the service of this loan totalled in 1925 the sum of $11,798,400, while the amount required for both interest and sinking fund on this issue is $2,625,000 per annum.

Principal and interest (April 1 and October 1) payable in United States gold coin in New York or in London in Sterling at par of exchange. Coupon bonds in denominations of $500 and $1,000, registerable as to principal only. They are non-callable except for Sinking Fund and are not subject to any Income Tax except that ordinarily paid to the Dominion Government in the case of residents of Canada. A circular giving full particulars will be sent upon request.

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138

News of the Investment Market

NEW INDUSTRIAL AND FOREIGN BOND ISSUES FLOATED

Abundance of Funds Available for Purchase of Sound Bonds

The increasing scarcity of municipal bond issues in the Canadian market has had at least two results, in so far as actual issues are concerned. It has been the means of interesting Canadian capital in foreign issues and it has also led to the bringing out of new industrial issues which have created enterprises, or mergers, which would not otherwise have been created. This does not mean, necessarily, that these concerns have been treated merely for an occasion to sell an issue of bonds. It probably means that the country will be developed faster, and our natural resources will be more quickly exploited, when there is a scarcity of the safer bonds available. Many of the investment banking houses which formerly dealt only in government and municipal bonds are now branching out into new enterprises in this country, or are selling portions of foreign issues.

There is an impression in certain quarters that the selling of foreign issues in Canada is taking away capital which is needed for our own development. If the movement were carried on on a very large scale, it is conceivable that there would be some basis for such a viewpoint. Until it assumes much larger proportions than at present, there will be little need for alarm on the part of those who are jealous for Canadian needs. After all the money market is the same as any other market. When there is abundance of capital available here, the surplus is likely to seek investment elsewhere, and some of it at higher levels. A surplus in this market, moreover, will have its effect upon the prices of bonds. When there is a shortage of capital here, it will be felt in yield and the situation itself will tend to correct or prevent any undue export of capital. There are many provinces, states and countries whose credit standing is excellent, but who, for various reasons, have to pay a high price for their borrowings. Why should not the Canadian investor take advantage of such opportunities, especially if he is willing to accept something of the speculative?

Keen competition for the Province of Ontario bond issue, details of which are given elsewhere, was shown in the New York market, as a result of the favored position of Ontario in that market. The offering consists of $10,000,000 of bills due May, 1927, and $15,000,000 due May, 1928. Ontario's last financing in the New York market was the $21.000,000 issue placed last December. That issue, which was the first placed in New York for several years, was the first serial issue ever made by the province.

Heavy Dividend Payments

Payments of dividends and bond interest for June amount to a total of $34 635,656 made up of $16.413.814 of the former, and $18.221,842 of the latter. This is one of the large payments of the year, and makes large amounts of money available for investment. Most of this, however, has probably been discounted so that it will have little new effect upon prices or market conditions.

The New York bond market seems to have a new lease of life. A general buying movement this week carried prices to levels which are approximately the highest for the year. The majority of the gains were attributed to a resumption of investment buying, with some of the more speculative convertibles following the upward trend of the stock market. Time money, is plentiful and there is no material change in underlying conditions.

PERFECTION GLASS ISSUES NEW STOCK

President Indicates Possibility of Dividend Very Shortly

From Our Own Correspondent.

MONTREAL. — The Perfection Glass Company is shortly to offer its shareholders a new issue of stock at $10 per share. To these other than shareholders the stock will be offered at $12.50. Recently, the company acquired the entire assets and undertaking of the Ceramo-Vitrail, Incorporated; the latter is one of the largest plate and fancy glass companies in Canada.

In the meantime, the Perfection Glass Company is placing its new plant in commission; eventually it is intended to transfer the equipment of the acquired company to the new plant, so that the whole may be operated as one unit.

The president of the company, J. A. Watt, has forwarded a letter to the shareholders which reviews the progress which has been made and makes the point that the company has established European connections which ensure that glass will be obtained at a satisfactory price.

In referring to the sale of the stock, the president's letter deals with the financial position and says:

"This advance in the price of the capital stock of your company is further justified by the fact that the company to-day has a substantial surplus, and, with the volume of business that is being done and the profits that are accumulating, the management is forced to feel confident that a substantial dividend will be paid to the shareholders within the next quarter.

Harbor Terminals Second Mortgage Issue Sold Well

Success of the first mortgage bond issue of Canadian Rail and Harbor Terminals, Toronto, was duplicated this week when the general mortgage issue of $2,000,000 was offered in New York. Issue was over-subscribed. Offering houses were Edmund Seymour and Company, of New York, and Mackie, Hentz and Company, of Philadelphia, while a small offering was made also in Canada.

The bonds were offered at par, yielding 7 per cent., and carried a bonus of five shares of no par value common stock with each $1,000 bonds. The issue matures in December, 1945, and provision is made for a sinking fund to start in 1930 sufficient to retire the issue by the maturity date.

Work is being pushed ahead on the new terminal warehouse on Toronto's harbor front being constructed by this company, and several hundred men are at work on the foundations. The structure, which will be a large general and cold storage warehouse, with about 1,000,000 square feet of floor space on eight floors, will be ready, it is hoped, for occupancy in about twelve months.

The first mortgage bonds were also sold in American markets, but it is understood that a further issue of debenture stock will be made in Canada and is likely soon to be offered.

BRAZILIAN ISSUE IS PARTLY SOLD HERE

Represents Phase of Debt Reduction Program of Present Administration

Certain of the Canadian bond houses are participating in the $35,000 000 loan of the Republic of Brazil which was bought by a banking syndicate headed by Dillon, Read and Co., of New York. The bonds are being sold at 90 and interest, to yield about 7.30 per cent. to maturity, and the selling group in Canada is headed by Dominion Securities Corporation.

The purpose of the present issue is to complete the program for the funding of the floating debt of Brazil. The issue is a direct obligation of the United States of Brazil and are specifically secured by first charge on the receipts of the government from income taxes, taxes on invoices, consumption taxes and import duties. The total revenue derived from these sources in 1925 was nearly $150,000,000. After the deduction of certain prior charges upon a portion of this revenue there would remain from the above source in 1925, $136,574,600. The charges on the present issue, including both interest and sinking fund requirements, call for $2,625,000 per annum.

The sinking fund provision to cover the present issue is an accumulative sinking fund of 1 per cent. per annum, payable semi-annually, and to be increased by amounts equal to the interest on bonds previously redeemed.

In comparison with those countries who accumulated a huge national debt through participation in the late war, the debt of Brazil is remarkably small. On December 31, last, the total funded debt of the republic amounted to approximately $936,000,000 of which $626,000,000 was external. This represents a per capita debt of approximately $30 against an estimated per capita national wealth of $530. This compares very favorably with the Canadian per capita debt of more than ten times as much, while Canada has less than one-third the population of Brazil.

Part of Debt Funding Policy

The present loan represents a part of the debt funding policy of President Bernardes for the further strengthening of the national budget and stabilizing the currency. During the Bernardes administration the budget deficit has been reduced from about $100,000,000 a year to a practical balance, at the same time reducing the government funded debt materially. There have been no foreign loans since 1922, and the paper currency is now being deflated at the rate of 13,500,000 milreis per month. It is stated that the new loan establishes the American market as the natural source of funds for the republic in the future.

Styria Province Loan to Develop Resources

A number of the Canadian investment banking houses are participating in the $5,000,000 bond issue of the province of Styria, Austria. The issue is being sold at 92½ to yield approximately 7.75 per cent. and matures in 1946.

The province of Styria has a population of about 1,000,000 people who are engaged, for the most part, in mining and metal-working industries. It is one of the most prosperous sections of the new republic, containing some important industrial centres. It has no external debt. The total funded debt amounts to some $775,000. A sinking fund has been formed to retire the present issue by maturity.

The purpose of the present issue is to develop the natural resources and railways of the province and also to extend aid to municipalities for the assistance of production. Among other things are agricultural loans and loans on hydro-electric properties. In other words, the loan is for the purpose of furthering the economic recovery of Austria.

ASBESTOS BONDS

MONTREAL.—The general mortgage bonds of the new Asbestos Corporation moved upwards sharply this week and changed hands at 85. The increased price does not seem attributable to any increased public demand; it is thought, therefore, that some of those who purchased the preferred shares of the old Asbestos Corporation, before the merger, are now endeavoring to create a better market for these bonds. In other words, there are those who feel that the present price is an artificial one, and not created solely by the laws of supply and demand, but created so that the bonds may be sold at better advantage.

CANADA HAS FIRST INVESTMENT TRUST

National Debenture Corporation Offers Debenture Bonds of $100 Par to Public

The investment trust has at last been ushered into Canada's financial structure. The National Debenture Corporation Limited, recently organized under the direction of the G. A. Stimson Co., is now offering 5½ per cent. debenture bonds at $100 per share to the public. These bonds are redeemable in 20 years and have as collateral 105 per cent. par in securities including government, provincial and municipal bonds, and first mortgages. At the present time National Debenture bonds are secured by government and municipal bonds to the extent of about 55 per cent. and by first mortgages to the extent of 50 per cent. National Debenture Corp. has voluntarily limited its first mortgages to 50 per cent. of the land and improvements.

Investors of moderate capital who in recent years in America have become a dominating factor in finance, and who have inadequate means of personally checking their investment, will now have investment channels whereby a more systematic distribution of risk and whereby in the aggregate a greater return on capital will be possible.

The investment trust is still new and strange to many. It grew up in England about 1880, and to-day the combined bond and share capital of the investment trust companies approach 1½ billion dollars.

It is an organization by means of which the funds of many investors, whether in large or small amounts, are jointly invested in a wide variety of securities. In this way both principal and income of the combined capital are protected by far-reaching distribution of risk. Through comprehensive research and skilled management, an investment trust invests and reinvests the capital entrusted to it in such a way as to assure a dependable income.

AUTOMOBILE INSURANCE RATE WAR; FIRMS COURTING DISASTER

(Continued from page 1)

ies should realize the true state of affairs.

Of course, automobile insurance is but one of many fields which casualty companies engage in and it is still in an infant stage in Canada. Competition will, no doubt, eventually weed out some of the weaker firms and a small part of the insurance public will feel the losses most keenly. Amalgamation and combination too will probably be ushered in when things become more stabilized.

At the present time when we realize that the ratio of losses in earned income approximates 70 per cent., and that commissions amount to about 25 per cent. or 30 per cent. of premium income and that 20 per cent of premium income will just cover office expenses, we see the insurance companies are operating at a loss and cannot continue to cut rates indefinitely.

It has been suggested that the rate cutters themselves believe this unstable condition is temporary and that they hope to revert to safer rates after they have snatched up a good proportion of the business. Such practices are harmful and should be made illegal. Arbitrary competitive rates enforced temporarily, can do little good. It is time that the companies realized that rates arrived at from experience are the only ones which will make for stability in the business.

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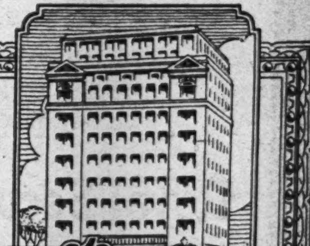

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BANK OF MONTREAL

Statement of the result of the business of the Bank for the half year ended 30th April, 1926

Balance of Profit and Loss Account, 31st October, 1925			$ 596,788.31
Profits for the half year ended 30th April, 1926, after deducting charges of management, and making full provision for all bad and doubtful debts			2,469,326.28
			$3,066,114.59
Quarterly Dividend 3 per cent. paid 1st March, 1926		$897,501.00	
Quarterly Dividend 3 per cent. payable 1st June, 1926		897,501.00	
		$1,795,002.00	
Provision for Taxes Dominion Government		194,583.50	
Reservation for Bank Premises		150,000.00	
			2,139,585.50
Balance of Profit and Loss carried forward			$926,529.09

GENERAL STATEMENT, 30th APRIL, 1926

LIABILITIES

Capital Stock			$29,916,700.00
Rest		$29,916,700.00	
Balance of Profits carried forward		926,529.09	
		$30,843,229.09	
Unclaimed Dividends		15,870.07	
Quarterly Dividend, payable 1st June, 1926		897,501.00	
			31,756,600.16
			$ 61,673,300.16
Notes of the Bank in circulation		$ 41,674,442.00	
Deposits not bearing interest		134,713,173.45	
Deposits bearing interest, including interest accrued to date of statement		489,464,334.27	
Deposits made by and Balances due to other Banks in Canada		2,472,278.44	
Balances due to Banks and Banking Correspondents elsewhere than in Canada		5,762,369.59	
Bills Payable		61,426.49	
			674,148,024.24
Letters of Credit outstanding			12,581,897.90
Liabilities not included in the foregoing			729,134.82
			$749,132,357.12

ASSETS

Gold and Subsidiary coin current		$ 30,695,395.53	
Dominion notes		43,825,260.75	
Deposit in the Central Gold Reserves		15,000,000.00	
Deposits made with and Balances due from other Banks in Canada	$ 148,397.03		
Balances due by Banks and Banking Correspondents elsewhere than in Canada	17,224,879.98		
Call and Short (not exceeding thirty days) Loans in Canada, on Bonds, Debentures and Stocks, and other securities of a sufficient marketable value to cover	17,713,425.06		
Call and Short (not exceeding thirty days) Loans in Great Britain and United States, on Bonds, Debentures and Stocks, and other securities of a sufficient marketable value to cover	124,783,231.29		
		159,869,933.36	
Dominion and Provincial Government Securities not exceeding market value		93,456,444.71	
Railway and other Bonds, Debentures and Stocks not exceeding market value		3,566,104.06	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian not exceeding market value		33,599,867.70	
Notes of other Banks		2,776,474.00	
United States and other foreign currencies		1,259,374.65	
Cheques on other Banks		22,731,348.63	
			$406,780,203.39
Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts		$227,325,605.22	
Loans to Cities, Towns, Municipalities and School Districts		25,982,091.67	
Current Loans and Discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts		56,334,269.38	
Non-current Loans, estimated loss provided for		2,694,857.90	
			312,336,824.17
Bank Premises at not more than cost (less amounts written off)			11,950,000.00
Real Estate other than Bank Premises			916,340.74
Mortgages on Real Estate sold by the Bank			1,338,704.42
Liabilities of Customers under Letters of Credit (as per Contra)			12,581,897.90
Deposit with the Minister for the purposes of the Circulation Fund			1,282,241.10
Shares of and loans to controlled companies			1,414,029.28
Other Assets not included in the foregoing			532,116.12
			$749,132,357.12

NOTE.—The business of the Bank in Paris, France, and in San Francisco, U.S.A. is carried on under the name of local incorporated companies and the figures are incorporated in the above General Statement.

NOTE.—Bonds of the Merchants Realty Corporation to the extent of $2,802,000.00. secured on premises leased to the Bank, are in the hands of the public. These bonds do not appear in the above Statement as the Bank is not directly liable therefor.

VINCENT MEREDITH, President.

FREDERICK WILLIAMS-TAYLOR, General Manager.

Municipal and Provincial Finance

Saskatchewan Has Deficit But Per Capita Debt Fairly Small

Fifty Per cent. Rise in Farm Revenue Last Year Helped Liquidate Debts and is Building Sound Business

The fundamentally sound basis on which the people of the Province of Saskatchewan are building has much to do with the standing of the bonds of the province. Stability of the people, is one of the gauges usually employed by the investment banking houses in an effort to determine whether or not to buy an issue of a foreign government. Saskatchewan is demonstrating her stability in the yearly growth in volume, of her basic products, and the yearly increase in the acreage sown to the leading crops. Last year 50 per cent. was added to the farm revenue, and the province is yearly improving her methods of farming.

This 50 per cent. increase brought the total farm revenue of the wheat province to $416,022,000—second to that of Ontario. To this may be added probably $44,000,000 from all other industries bringing the total revenue from all branches to $460,000,000, or $552 per capita. In his budget speech recently, Hon. C. A. Dunning stated:

"It is estimated that the farmer will sell 212,000,000 bushels out of a total production of 240,551,000 bushels of wheat. It is estimated that he will receive net an average of $1.10 per bushel, or a total gross value for wheat sold of the 1925 crop of $264,60,000 compared with $173,445,000 received for that portion of the 1925 wheat crop which was sold. In the matter of oats; this crop, of course, is largely consumed on the farm, but it is estimated that the farmers will sell 225,000,000 bushels at 33c. per bushel at an aggregate value of $8,250,000. Barley; it is estimated that the farmers will sell 8,000,000 at 45c. per bushel, or an aggregate value of $3,600,000. Flax; it is estimated the farmers will sell 6,000,000 bushels at $1.96 per bushel, or an aggregate value of $11,760,000. Rye; 2,700,000 bushels at 64c. per bushel, or an aggregate value of $1,728,000. Out of a total dairy production of $20,940,790 it is estimated the farmer will sell $8,377,283 worth, $148,000 worth of wool clip, $1,804,000 worth of game and furs, $3,543,110 of poultry products, $12,800,000 worth of livestock.

"'Putting all these figures together we reach the conclusion that from the sale of their surplus products in 1925 (and a very conservative estimate at that) the farmers of Saskatchewan will receive $285,210,393. Comparing that with the final figures of 1924 values of $195,547,220 this means that $89,663,173 more money will come into Saskatchewan as a result of the sale of our 1925 farm surplus products than was received as the result of the sale of the 1924 farm surplus. While I do not wish to compete with the estimators, I venture the opinion that instead of the increase being $89,000,000, when it all works out, this crop will have an actual value to us of close to $100,000,000 more than the 1924 crop."

Final figures show that the actual returns were $36,000,000 greater than the estimate shown above.

Per Capita Debt Relatively Low

At the beginning of the year the total public debt of the province stood at $57,463,659, or $69.35 per head of the population. This is the smallest per capita debt of any province with the exceptions of Quebec, Nova Scotia and Prince Edward Island. It compares very favorably with those of the other western provinces viz., $175 for British Columbia, $140 for Alberta, and $117 for Manitoba. Of this amount of debt, more than $23,000,000 is in the form of revenue producing debt, i.e., in undertakings which carry their own interest charges such as the Saskatchewan Farm Loan Board, the Telephone System, the Co-operative Elevator System, etc. This leaves a net dead weight debt of about $33,000,000. There are also railway guarantees amounting to $28,567,723 on Federal Government operated roads. Sinking funds amount to $2,630,795. The main part of the debt consists of some 26 loans maturing from next July to September, 1955. Owing to the high credit standing of the province, the yield on these bonds is somewhat lower than that of some of the other provinces, especially the two provinces farther west. The yield runs from 4.85 to 5.00 per cent.

During the past fiscal year, revenues did not quite come up to the total of expenditures. The former amounted to $12,378,755 and the latter $12,498,932, leaving a deficit of $120,177. One of the large items in expenditure is the growing cost of education. With reference to this Mr. Dunning said in his budget speech:

This trend affects not only the institutions of government of the province but also the municipalities and school districts. They are all wrestling with this problem. I can give an illustration of its magnitude in regard to education. In 1924 the amounts levied for education by our local governing bodies were $10,745,625. In the same year the government expended, largely in the form of grants to these local bodies, $3,351,424. In other words, one quarter of the total cost of education in this province is borne by the central authority. The total cost of education to our local bodies and the government of the province was in that year $14,097,049, or $17.01 per head of population. I am not criticising it. I would like anyone to show me any part of the world in which a state system of education does not exist where peopl get off with as light a load as $17 per head for education. We are apt to complain about the cost without making comparisons between the system of education which we have and its alternative.

This Week's Bond Sales

LACHINE, QUE.

An issue of $30,000, 5½ per cent., 30-year bonds of la Commission Scolaire de Tres S. Sacrement du Parc Dominion, has been awarded to Versailles, Vidricaire & Boulais, at 101.05, which is equal to a cost basis of 5.43 per cent.

BELLEVILLE BONDS SOLD

The City of Belleville awarded an issue of $43,000, 20-year, 5 per cent. bonds, to A. E. Ames & Co., at 99.59. Tenders follow:

A. E. Ames & Co.	99.59
R. A. Daly & Co.	99.58
Macneill, Graham & Co.	99.53
Toronto Bond Exchange	99.42
Wood, Gundy & Co.	99.40
Bell, Gouinlock & Co.	99.37
Municipal Bankers Corp.	99.335
Fry, Mills & Spence	99.28
Royal Securities Corp.	99.19
C. H. Burgess & Co.	99.078
McLeod, Young, Weir & Co.	98.89
Dyment, Anderson & Co.	98.27

MOOSE JAW BONDS

An issue of $25,452, City of Moose Jaw, 5 per cent., 10, 15 and 30-year local improvement bonds has been awarded C. H. Burgess & Co., at 96.23. Following is a list of the bids:

C. H. Burgess & Co.	96.23
Fry, Mills, Spence & Co.	95.27
Can. Bank of Commerce	95.10
Mead & Co.	95.00
Houston, Willoughby & Co.	94.76
Kern Agencies	94.66
Gairdner & Co.	94.172
Royal Securities Corp.	94.07
Dyment, Anderson & Co.	93.54
MacNeill, Graham & Co.	92.67

ORILLIA ISSUE

A. B. Thompson & Co. were awarded an issue of $55,579, Town of Orillia, 5 per cent., 15, 20 and 30-year local improvement debentures guaranteed by Simcoe County, on a bid of 103.90. The bids were:

A. B. Thompson & Co.	103.90
Municipal Bankers Corp.	103.49
H. R. Bain & Co.	103.37
Wood, Gundy & Co.	103.31
Dyment, Anderson & Co.	103.19
C. H. Burgess & Co.	103.13
Macneill, Graham & Co.	103.037
Stewart, Scully & Co.	103.003
Bell, Gouinlock & Co.	102.97
Gairdner & Co.	102.72
Royal Securities Corp.	102.27

HAMILTON ISSUE

Keen competition marked the bidding for $947,525 City of Hamilton one to twenty-year bonds, which were awarded to a syndicate composed of Macneill, Graham & Co., C. H. Burgess & Co., and the Dominion Bank, at 96.16. The bids were:

Macneill, Graham & Co., C. H. Burgess & Co., and Dominion Bank	96.16
A. E. Ames & Co.	96.14
Wood, Gundy & Co.	96.08
Bank of Commerce, and Fry, Mills, Spence & Co.	96.06
Royal Securities Corp., R. A. Daly & Co., and Hanson Bros.	95.817
Gairdner & Co.	95.798
Aird, McLeod & Co., Cochran, Hay & Co., McLeod, Young, Weir & Co., and Zimmerman & Malloch	95.69
National, City Co., Matthews & Co.	95.69
Dyment, Anderson & Co., Bell, Gouinlock & Co.	95.51

PROVINCE OF ONTARIO ISSUE

The issue of $25,000,000, Province of Ontario, 4 per cent. treasury bills, maturing $10,000,000, in one year, and $15,000,000 in two years. has been awarded to a syndicate headed by the Bank of Montreal. The price offered by the syndicate was 99,1863, representing a cost of 4.53 per cent. Three bids were received in all, namely:—

Bank of Montreal, Bank of Nova Scotia, Kerr, Flemming & Co., Hanson Bros., McLeod, Young, Weir & Co., Ltd., Matthews & Co. Ltd., Dominion Bank, First National Bank (New York), Lee, Higginson & Co. (New York), Redmond & Co. (New York) Hallgarten & Co. (New York), White, Weld & Co. (New York), Salomon Bros. & Hutzler (New York), R. W. Pressprich & Co. (New York), Winslow, Lanier & Co. (New York) 99.1863.

Blair & Co. (New York), Equitable Trust Co. of New York, Chase Securities Corp. (New York), Halsey, Stuart & Co. (New York), Kountze Bros. (New York), Continental & Commercial Trust & Savings Bank (Chicago), First Trust & Savings Bank (Chicago), Illinois Merchants' Trust Co. (Chicago), First National Company of Detroit, Atlantic National Corporation of Boston, Shawmutt Corporation of Boston, Canadian Bank of Commerce, R. A. Daly & Co., Cochran, Hay & Co. 99.0823.

Dominion Securities Corp., Ltd., A. E. Ames & Co., Ltd., Wood, Gundy & Co., Ltd., Dillon, Read & Co. (New York), Guaranty Co. of New York, Harris, Forbes & Co. (New York), National City Co. (New York), 99.06899.

Sydney Has Reduced Estimates $10,000

From Our Own Correspondent.

SYDNEY.—By the closest kind of financing, Mayor McConnell and the city council have succeeded in providing for $22,000 additional fixed charges (interest and sinking fund) and at the same time reduced the annual estimates $10,000 without either cutting civic salaries or raising the rate, which will stand at 3.6. At the same time, $100,000, the proceeds of a recent bond sale, have been deposited at the Royal Bank to reduce the city's overdraft.

The mayor has definitely decided that there will be no more borrowing to keep civic services in operation. It is a question of collect back taxes or shut down the schools, and he has decided on the former course. The whole city hall staff is being turned to tax collection, and $30,000 in water rates and $225,000 back taxes will be collected at once, either in cash or through the forced sale of seized personal property and real estate.

Tenders and By-Laws

May 31, Port Hope — $37,500, 5%, 20-year debentures. J. W. Sanders, town clerk.

June 2, Township of Calvert—$10,000 R. C. Separate School, 5 per cent. 30-year bonds. A. Pelletier, Secretary, Board of Trustees, R. C. Separate Schools, Iroquois Falls. (See announcement on page 16.)

June 5, Campbellton, N.B.—$35,000 Campbellton School Board, 5 per cent., 20-year sinking fund bonds. Donald MacLean, secretary school board (See announcement on page 8).

June 7, School Commissioners of Cote Saint Laurent No. 1, P.Q.—$63,000, 5 per cent., 40-year bonds. J. R. Thibodeau, secretary-treasurer.

SASKATCHEWAN

List of Authorizations Granted by the Local Government Board From May 17 to May 22, 1926.

Schools—Estell, No. 1204, $3,000; Boyle, No. 1800, $11,000; Lansdowne, No. 56, $4,625; Levis, No. 4661, $4,500; Allanbank, No. 567, $2,500; Albertville, No. 3420, $2,500; Kalvin, No. 2594, $3,500; Hasenmore, No. 3225, $3,200 Stapleton, No. 4656, $4,000; Yellow Grass, No. 539, $15,000; Waldville, No. 4645, $3,500; Dewar Lake, No. 4455, $3,000.

Rural Telephones—Neidpath, $5,300; Antelope, $350.

R. M. Nipawin, No. 487, $2,000.

Village of Lockwood, $1,000.

Debentures Reported Sold

Athelstan, S.D. No. 4523, $2,000, 15 years, 5⅞%, F. E. Natchler, Regina; New England, No. 2433, $3,860, 15 years, 5¾%, H. J. Birkett & Co., Toronto; Luseland, S.D. No. 240, $20,000, 20 years, 6%, C. C. Cross & Co., Regina; Marcelin, S.D. No. 1658, $19,000, 15 years, 5¾%, C. C. Cross & Co., Regina.

ONTARIO SAVES MUCH BY REFUNDING LOAN

Money Paid Off by Treasury Bills Worth 4.53 Per Cent. Was Costing 5.50

While a large number of Canadian banks and investment houses were members of the syndicates which bid for the Ontario bond issue, the flotation was strictly a New York market proposition despite the fact that the Bank of Montreal headed the successful syndicate. The issue amounted to $25,000,000 of 4 per cent. treasury bills, and the purchase price was 99.1863 which represented a price to the province of 4.53 per cent. The total amount was divided into two maturities, $10,000,000 one-year bills and $15,000,000 two-year bills. It is probable that Canadian subscriptions to the issue will be confined chiefly to Canadian banks having large deposits in their New York agencies. Both principal and interest are payable in New York only. The bids received were for New York delivery, and payment in New York funds.

Evidently the province has found it beneficial to take advantage of the favorable moment in the short-term market in preference to taking long term money at present. The latter could also have been obtained at an attractive price, but it is probable that the government contemplates getting longer term money in the Canadian market at a later date.

The new loan is purely for temporary financing. The total of the $25,000,000 will be used, according to Hon. W. H. Price, for refunding maturing loans and treasury bills of which $8,350,000 matured March 1, $10,000,000 April 22, and $4,000,000 on the 1st of June. The first two of these were war loans, issued in 1916, and, along with the third, were costing the province about 5½ per cent.

UNLISTED BONDS

	Bid	Asked
Abitibi 6% 1940	102¼	103
Algoma Steel 5% 1962	29¾	30½
Belding 5% 1936	89	..
Belgo Can. Paper 6% 1943	100	100¾
Brand-Henderson 5% 1939	90	..
Burns, P. & Co. 6½% 1943	102⅞	104
Can. National Rly. 5% 1954	101⅛	101⅞
Calgary Brewing 5% 1942	83	..
Can. Steamship Lines 7% 1942	104½	105
Can. Pacific Rly. 5% 1934	99½	100⅛
Can. Pacific Rly. 4½% 1944	93¼	93⅞
Can. Steel Foundries 6% 1936	102	..
Dom. Iron 5% 1939	40	45
Dom. Textile 6% 1949	106	..
Elect. Develop. 5% 1933	96	..
Frontenac Brewery 6% 1951	97½	..
Fraser Companies 6% 1950	96¾	98
H. Smith Paper 7% 1941	100	100½
Laurentide Power 5% 1946	100	..
Laurentian Power 6% 1936	100¾	..
Prov. of Ontario 5% 1948	100⅞	101⅝
Ontario Pulp 6% 1931	107	..
Price Bros. 6% 1943	103	103¾
Quebec Power 6% 1953	104	..
Winnipeg Elec. 6% 1954	96¾	97½
St. Maurice Power 6½% 1953	108⅝	109
Jam. Pub. Service 6½% 1943	102	103
Span. River P. 8% 1941	106⅝	..
Ottawa Mtl. Pr. 6½% 1949	102¼	103½

BOND MOVEMENTS OF THE WEEK

Week Ending May 25

Bonds—	Int. Rate	Due	Yield	Range, 1925 High	Range, 1925 Low	Range, 1926 High	Range, 1926 Low	Latest Price Ask	Latest Price Bid	High	Low
Can. Canners	6	1950	6.41	96¼	90	95½	94	95½	95	95⅛	95
Can. Car	6	1939	5.73	103	101	102½	102½	...	102½	102½	...
Can. Cottons	5	1940	4.43	96	91½	96	95	98	95½	95¾	..
Mont. Trams "A"	5	1955	5.44	98¾	92¾	95	92½	93¼	..	98½	..
Quebec Rly.	5	1939	5.65	98	89¾	95	91⅞	95	94	94¼	94
Steel of Can.	6	1940	5.30	106	103	107½	106	..	106½	106⅞	..
Wayagamack	6	1951	6.76	98¾	84¾	97¾	90½	92	90½	90¾	90½
War Loan	5	1931	4.66	102.65	101.10	102.40	101.20	101.65	101.50	101.50	101.35
Do.	5	1937	4.58	104.95	103.80	104.65	103.40	103.85	103.75	103.85	......
Victory Loan	5½	1927	4.60	103.15	101.70	101.75	100.70	101.50	101.40	101.50	101.10
Do.	5½	1933	4.63	107.00	105.10	106.80	104.65	105.35	105.25	105.10	104.95
Do.	5½	1934	4.98	104.80	103.20	104.10	103.10	103.50	103.40	103.65	103.35
Do.	5½	1937	4.59	110.00	108.15	109.30	107.35	103.85	108.25	108.45	108.10
Do. Refund	5	1928	4.75	104.45	100.15	101.30	100.05	100.50	100.40	100.30	100.10
Do. Refund	4½	1940	4.86	97.25	92.00	96.70	95.70	96.00	95.90	96.15	96.00
Do., Refund	5	1943	4.82	102.95	101.15	102.15	101.15	.....	101.90	102.10	102.00
Do., Refund	4½	1944	4.83	97.65	96.20	97.15	95.85	96.25	96.15	96.05	95.90
Do., Refund	4½	1946	4.81	.....	.....	96.10	95.65	95.85	95.75	96.05	95.90
Do., Renewal	5½	1927	4.85	102.95	100.80	101.95	100.35	101.00	100.85	101.00	100.70
Do., Renewal	5½	1932	4.98	104.20	102.60	103.40	102.15	102.85	102.75	102.70	102.55

WEEKLY RECORD OF CANADIAN FINANCING

Place	Date	—Sold To—	Rate	Maturity	Amount	Price	Yield
Bond Sales—		**Municipal**					
Belleville	May	A. E. Ames & Co.	5%	1946	$43,000	99.59	5.03
Hamilton	May	MacNeill, Graham & Co., C. H. Burgess & Co., and Dominion Bank	....	....	947,525	96.16	....
Saskatchewan Schools, etc.	May	Various	....	....	44,860	....	...
Moose Jaw	May	C. H. Burgess & Co.	5%	10, 15, 30-yr.	25,452	96.23	5.32
Orillia	May	A. B. Thompson & Co.	5%	10, 20, 30-yr.	55,579	103.90	...
Con. Scholaire de Tres S. Sacrement due Parc Dominion	May	Versailles, Vidricaire & Boulais	5½%	1956	30,000	101.05	5.43
		Provincial					
Ontario	May	Bank of Montreal and Syndicate	4%	1 & 2-yr.	25,000,000	99.1863	4.53
Stock Issues—							
Canadian Paperboard Co.	May	Johnston & Ward	7%	Pref.	300,000	100	7%

We deal in—

United Securities 6% Preferred Shares.

C.P.R. 4½'s — 1944
Bell Telephone 5's — 1955
Belgo Paper 6's — 1943
Belgo Paper 7% Preferred Shares.
Quebec Power 6's — 1953
Quebec Railway 5's — 19?9
St. Maurice Power 6½'s — 1953
Wayagamack 6½'s — 1930
Wayagamack 6's — 1951
Montreal Tramways 5's 1941
Montreal Tramways 5's — 1955
Montreal Public Service 5's — 1942
Windsor Hotel 6½'s — 1943
Laurentide Power 5½'s — 1946
Duke-Price Power 6's — 1949
Manitoba Power 5½% — 1951

Also Bonds of Provinces and the larger Canadian Cities

RENE-T. LECLERC
Incorporated
Montreal:- 160, St. James St.
Quebec:- 71, St. Peter St.
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E201

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VERSAILLES-VIDRICAIRE-BOULAIS LIMITED.
Investment Bankers
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QUEBEC APARTMENTS LIMITED
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SEND FOR OUR LIST of Safe, Sound Seasoned Securities yielding from 5½ to 7½%
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VANCOUVER, B. C. VICTORIA, B. C. NANAIMO, B. C.

Insurance for Buyer and Seller

Follow Through in Your Life Insurance and Protect Those to Get the Money

HAVE you "followed through" in your life insurance?

Every man, who is paying yearly for life insurance protection, has done so for a definite purpose and usually that purpose is to buy now the certainty of comfort and happiness at some indefinite future time for his children and his wife. He has bought the protection in order to assure himself that the institution of life insurance shall do for them, after he dies, what he does for them now; pay for their home and fuel and food and clothes; send them to school and give them some fun in life.

Making All This Certain

The mere taking on of life insurance will not do that, however. Give a bereaved family, in one large sum, $5,000, $10,000 or $25,000 and what assurance is there that it will be well handled; that it will be invested to secure a good income and at the same time protected from financial breakers—and financial sharks? What assurance is there that it will go on year after year, working as efficiently and as effectively as would the same financial resources in the hands of the man who is the family's protector to-day?

Experience proves that such assurance is lacking in a woefully heavy proportion of cases.

What Can be Done

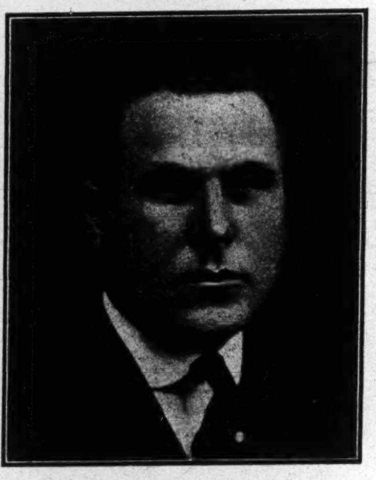
To obtain such assurance, the man who is buying the life insurance and paying the premiums from year to year, has several courses open for his choice.

He may make his insurance payable at his death to a trust company and make that silently moving, ever efficient and economical organization his living hand of service after he dies.

He may buy most of his insurance on the rapidly gaining monthly income plan, which guarantees for his wife, daughter or son, constant protection and a definite income which cannot be snatched away.

Or he can do what is almost a modification of the two and arrange to have his insurance money left with the insurance company, to be paid over by them in a manner he determines and directs either when he takes out the policy or at any time before he dies.

This is a field of life insurance service that is just opening up and bound to expand. Life insurance companies can hardly act as guardians but they can act as investors of life insurance money and can earn for the beneficiaries as high an income as they could safely earn for themselves. This income—or the principal amount of the policy—can be paid over in any way, in any amounts or at any time that the insured feels is going to be best for his family. And the money will be thoroughly safe, as well as protected from confidence men and others, who might otherwise get hold of the money; protected even from creditors.



H. A. PEABODY,

Formerly representative in Montreal, has been appointed district manager of the Canada Life at Sherbrooke, Que.

Mr. Peabody has represented the Canada Life for ten years, during which period he has been a member of the Quarter Million Club four times and of the 125,000 Club once.

New Types of Policies Put Life Business Across

Life insurance sales in Canada continue to show gains, chiefly due to the extension of the field of service of the companies. The increase is accompanied by active campaigns to conserve the business already written.

The sales of ordinary life insurance in Canada during April increased 4 per cent. over April, 1925, according to a report just issued by the Life Insurance Sales Research Bureau of Hartford, Connecticut. During the month, $37,346,000 of new business was paid for by the reporting companies, which have in force 84 per cent. of the total outstanding business in Canada. This is an increase of $1,474,000 over the sales of April of last year. The report includes the production of new paid-for business, exclusive of revivals, increase, dividend additions, reinsurance from other companies, and group insurance.

The increases range from 4 per cent. in Quebec to 33 per cent. in Saskatchewan. Newfoundland has a 30 per cent. increase, and the prairie provinces show gains of 9 per cent. or more.

The records of the cities vary widely. Improvement is most noticeable for April in Winnipeg, which shows a 24 per cent. gain.

Insurance Personals

A. L. Tobler, general manager of the Zurich General Accident and Liability Insurance Company, Limited, visited the Canadian head office of the company in Toronto this week and sailed from New York later in the week.

Mr. Tobler expressed keen appreciation of the cordial support which was being accorded the company in Canada, enabling the company to make unusual progress during the two and a half years the Canadian branch had been established.

* * *

Eric V. Chown has been appointed general secretary of the Life Underwriters' Association of Canada, to succeed J. A. McCamus, who has recently resigned.

Mr. Chown is a barrister by profession and has been practising in Shoal Lake, Manitoba, until just recently. He is a veteran of the Great War, enlisting and serving in the ranks in Salonica and Egypt. He received his commission on the field and served in France during the latter part of the war.

He was for a while on the staff of MacLean's Magazine in the advertising department.

He is a son of the Rev. Dr. S. D. Chown, formerly general superintendent of the Methodist Church of Canada.

* * *

The death of John L. Turquand, secretary-treasurer of general insurance, Dominion of Canada Guarantee and Accident Insurance Company, occurred this week in Toronto. The late Mr. Turquand was in his 73rd year. He had been associated with the Dominion of Canada Guarantee and Accident Insurance Company, having held the position of secretary-treasurer for 15 years.

* * *

The second anniversary of the opening of the Canadian head office of the Metropolitan Life Insurance Company coincided with the annual convention of managers and special agents, which opened at Ottawa on Friday, May 21. Delegates from all over Canada gathered at the head office for several business meetings.

The closing feature of the convention was the banquet given at the Chateau and which brought together the delegates, several high officials from the New York home office, and many other distinglished guests.

* * *

Percy C. H. Papps, mathematician of the Mutual Benefit Life Insurance Company, Newark, N. J., dropped dead at his home in Glen Ridge, N. Y. Mr. Papps was born in May, 1876, at Hamilton, Ont., Canada. He was educated at Trinity College, Port Hope, Ont., and entered the service of the Canada Life Insurance Company in 1893. He resigned from that company in 1903 to become actuary of the Manufacturers' Life Insurance Company, Toronto, and remained there until 1907, when he joined the Mutual Benefit as actuary. In 1919 he was appointed mathematician of the company.

Mr. Papps was a fellow of the American Actuarial Society and of the American Institute of Actuaries. He was an associate of the Institute of Actuaries. He was at one time president of the Insurance Institute of Toronto and was an honorary member of the Insurance Institute of Hartford, Conn.

Insurance Can be Had to Cover Business Lost

"The total insurance coverage on the Edwards and Edwards tannery, at Woodbridge, Ont., which was destroyed by fire on the night of May 10, was $209,000. The fire was caused by overhead electric motors, and started in the drying loft."

The above item represents a story half told. The business lost by the Edwards tannery as a result of the fire amounted to many thousands of dollars, and there was no insurance to cover the loss. Many business firms are now protecting themselves against such lost business by "use and occupancy" insurance, which is gaining in Canada.

INSURANCE LICENSE

A license has been issued to the American Reserve Insurance Company, authorizing it to transact in Canada the business of fire insurance and tornado insurance.

T. Meunier, Montreal, Que., has been appointed chief agent in Canada.

METROPOLITAN'S INVESTMENT

MONTREAL. — The Canadian head office of the Metropolitan Life Insurance Co. has recently purchased $50,000 City of Toronto five per cent. bonds and $1,200,000 Globe Realty Co. 5½ per cent. bonds. The total amount of investments made in this country by this insurance company now total $126,400,919.

Insurance Problems

Insurance questions of general interest, submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Knickerbocker Company

Northern Ontario Subscriber — Can you advise as to the standing of the Knickerbocker Insurance Co.?

There is no Knickerbocker Co., incorporated or licensed in Canada and no Knickerbocker Co. in Boston shown in insurance records. There is a Knickerbocker Co. of New York, shown in the usual reports, organized in 1913 with a combined capital and surplus in excess of $1,000,000 with a good reputation for adjustment and paying losses.

Fire Insurance Companies

Ontario reader—We are insured in the Mount Royal, Boston, and local government insurance companies. What is our position in respect to collection of claims in event of loss?

The Mount Royal Insurance Company, Montreal; the Boston Insurance Company, Boston, Mass.; and the Local Government Guarantee Society Limited of London,, England, are all licensed under Dominion Insurance laws to do business in this country and have made the necessary deposits with the government at Ottawa to insure the payment of claims made against them.

All of these companies may be regarded as safe to do business with.

Chicago Lloyd's

Reader — Do you consider Chicago Lloyd's safe to insure with?

We have no record of this company being licensed in Ontario but if you have placed your insurance through a licensed broker, insurance is enforceable in this province under recent legislation.

Chicago Lloyd's was organized in 1925 and has net resources of $500,000. It is too young a company to warrant any definite rating as to its reputation for adjustment and paying losses. However, insurance authorities advise that the company is under reputable and responsible management.

Insurance Investments

Guelph Investor—I have considered investing in some of the insurance stocks that have been offered to me. What is your opinion on them?

Life insurance stocks have, in the main, proven satisfactory investments in Canada. Some of the younger companies at the present time are not returning very substantial dividends to their holders, and there is no doubt that a new company has to be very shrewdly managed to make any early return to those who invest in it.

In investing in insurance stocks you are buying a security that must be held for a considerable term to really bring in the best profits. The yields on the basis of present prices and present dividends from most of the companies, are very low. On the other hand, experience has shown that these companies pay bonuses and increased dividends over a term of years sufficient to make them exceedingly profitable if held for a long time.

The question of marketability of the security is also a factor. Insurance stocks naturally have not the same broad market that the securities of larger industrial organizations have, but this market has become more active in recent years and is likely to continue to develop in that direction. However, the question of marketability is not important when you are definitely buying for the long term profit.

Much the same considerations apply to the securities of fire and casualty insurance companies.

Prices are high and discount the substantial profits that are in store for the shareholders of the better established companies.

Insurance market quotations—some of the principal stocks—yield the following rates of interest.

Company	Par Value	Paid up Value	Dividend Rate	Market	Yield
Canada	$100	$100	20%	$550	3.70
Can. Fire	50	50	10%	95	5.30
Continen.	100	20	9%	35	5.10
Excelsior	100	29	8%	55	4.50
G. West	100	100	20%	375	5.40
Imperial	100	75	15%	270	4.20
Monarch	100	10	8%	21	3.80
Manufac.	100	30	8%	100	2.40
Tor. Cas.	100	15	6%	32	2.80

In connection with Canada Life the dividend rate is quoted at 20 per cent., which is the regular dividend rate, but there is also a bonus of 10 per cent. being paid, which is likely to be continued.

These quotations are furnished by Insurance Investments, Ltd., Toronto, and are subject to considerable change from week to week.

Conservation is Big Work in Life Insurance To-day

One of the big services that life insurance companies render to policyholders is the facilities of the conservation department, which most of the companies maintain. Not infrequently policyholders allow their insurance to lapse without being thoroughly and authoritatively informed about their rights under the policy provisions.

Present-day life insurance is conducted on such a broad basis that every policyholder has definite rights after the policy has been in force a few years. Few policyholders take the trouble to read their contract options, strange as it may seem, although they peruse any other kind of a contract very thoroughly.

Company executives point out that policyholders may find it to their advantage to consult the conservation department of the company in which they are insured should the occasion arise to do so.

Insurance Against Golf Accidents is Obtainable

A dispatch from Jacksonville, Ill., tells of the death of one Roy Taylor, aged sixteen, a caddy at a country club, as the result of being hit by a golf ball driven by one of the club players. It is not generally known that golfers may obtain a liability insurance against just this sort of a mishap. The rate is low and the coverage is issued by many of the liability companies.

THE
Western Empire
Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

THE
CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

CLOSED!
on account of Fire!
Your property loss may be fully covered by insurance, but what about the profits lost during rebuilding?
We have a policy that will completely indemnify you for profits lost and "overhead expense" received during the cessation of business following a fire.
The British America Assurance Company of Toronto
Established 1833

INSURANCE
Fire, Automobile, Accident Liability, Etc.
Intelligent Advisory Service
OSLER, HAMMOND & NANTON
WINNIPEG LIMITED

Northwestern Mutual Fire Association
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA, HAMILTON, ONTARIO
THE NORTHWESTERN MUTUAL
Keeps on deposit at Ottawa one of the largest funds of any Fire Insurance Company for the exclusive protection of Canadian policyholders.
Writing Fire Insurance at Cost. Assets $3,118,764.07.
Norman S. Jones, Manager for Canada. R. J. Mahony, Associate Manager.
All policies dividend paying and non-assessable.

Economic Death
There is a risk, often overlooked, as grave as that of your premature death.
What if through illness or accident your earning-power should die?
The Sun Life of Canada issues policies to cover such a risk. Let the Company's representative explain this to you.
SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE : MONTREAL

Large Toronto Firm Endorses Credit Insurance
Terry-Nicholson-Cates, Ltd., a large lumber company of Toronto, write us:
"We express our appreciation of the services rendered by your Service & Collection Department in connection with the recent bankruptcy case.
"After the creditors had been convinced that nothing was coming in the way of a dividend from this estate, you obtained a settlement of 40% on the dollar net for all creditors. This meant a saving of quite a sum to our company, which was indeed a pleasant surprise, as we freely admit that all hope of recovery had been lost."
Many other Canadian concerns are benefiting by our service, which fully protects their book accounts against abnormal or unexpected credit losses. Full information on request.
CANADIAN DIVISION
The AMERICAN CREDIT INDEMNITY COMPANY
of New York — J. F. McFadden, President
R. J. MULLEN, General Manager for Canada
Toronto Office, 1702-08 Metropolitan Building Phone: Main 4316
Montreal Office, Canada Cement Bldg., Phone: Lancaster 3258
K292

THE MONARCH LIFE IS A GOOD COMPANY
Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary — W. H. HUNTER, President — ALEX. STEWART, Treasurer

Metropolitan Life Insurance Co.
The Company's Canadian Head Office is in Ottawa where its Canadian business east of the Rockies is transacted. Canadian premiums are received, Canadian policies issued and Canadian claims paid in Ottawa.

Canadian Head Office
Ottawa, Canada.
Business Written in Canada in 1925....... $165,123,047
More than that of any other company.
Insurance in force in Canada, end of 1925. $633,544,780
Largest amount in force in Canada in any company.
Policies held by Canadians, end of 1925.. 2,215,742
Largest number in force in any company in Canada.
Paid Canadian Policyholders in 1925...... $ 8,540,178
Investments in Canada, at end of 1925...... $125,150,919
Invested in Canadian Government and Municipal Bonds.. $ 86,743,283

SAVINGS WITH PROTECTION
Insurance at minimum cost, increased dividends each year, generous indemnities for total and permanent disability—these are a few of the benefits provided by The Northern's 20-Pay Life Coupon Savings Policy.
This attractive policy *guarantees* substantial annual dividends in the form of coupons. You simply clip one each year and cash it with the Company. Or you may leave the coupons untouched—in which case the policy will be paid up in 15 instead of 20 years. *Ask your nearest Northern Life Agent about this attractive plan, or write our Home Office.*
The NORTHERN LIFE ASSURANCE COMPANY OF CANADA
LONDON, ONTARIO — ESTABLISHED, 1897

Low Mortality.
The Great-West Life selects its risks with extreme care.
Its low mortality contributes to the liberal profits enjoyed by participating policyholders, THUS REDUCING THE ACTUAL COST OF PROTECTION.
Protection with Profit
The Great-West Life Assurance Company
HEAD OFFICE — WINNIPEG

Current Events in Banking World

BETTER BUSINESS SHOWN BY REPORT BANK OF MONTREAL

Earnings and Current Loans Increased During Six Months

An increase in current loans of the Bank of Montreal of over $16,000,000, as shown in the half yearly report for the period ending April 30th, may be taken as an indication of general business and industrial improvement. This half-yearly report of the Bank of Montreal is always awaited with a great deal of interest in the business community as providing a reflection of winter and spring developments in the business and financial situation. As such the statement now issued will be regarded with considerable satisfaction.

The bank's total assets now approach $750,000,000, showing an increase of over $30,000 000 for the year. In addition to the increase in current loans in Canada there is an increase indicated of $29,000 000 in current loans outside of Canada. Call loans in Canada are higher by more than $8,000,000 and call loans abroad reduced by more than $14,000,000. These latter items would seem to indicate that call loans in Wall Street rather than in Canada were curtailed to make the increases in current loans referred to.

An increase of about $14,000,000 in savings deposits and of $8,600,000 in demand deposits were the main factors in providing the increase in total assets. Circulation was increased about $2,500,000—another indication of the enlarged demands of business. Following are comparative figures:

IMMEDIATELY AVAILABLE LIQUID ASSETS

April 30th—	$ 1926	$ 1925	$ Change
Specie	30,695,396	17,760,372	+12,935,024
Dom. Notes	43,825,261	54,876,633	—11,051,372
Note cir. dep.	1,282,241	1,557,241	— 275,000
Call loans ab'd.	124,783,231	139,146,450	—14,363,219
Bank bal.	17,373,277	10,871,852	+ 6,501,425
Cheques	22,731,349	25,012,043	— 2,280,694
Gov. secs.	93,456,445	99,911,141	— 6,454,696
Gold res.	15,000,000	14,000,000	+ 1,000,000
Notes, bk.	2,776,474	2,980,420	— 203,946
For. curr.	1,259,375	616,946	+ 642,429
	353,183,049	366,733,098	—13,550,049
% total assets	47.1	51.0	— 39
% total liab. to pub.	51.4	55.9	— 4.5
Other Assets			
Pub. secs.	33,599,868	45,756,339	—12,156,471
Other secs.	3,566,104	4,315,132	— 749,028
Call loans	17,713,425	9,426,230	+ 8,287,195
Current	227,325,605	211,096,704	+16,288,901
Elsewhere	56,334,269	27,315,025	+29,019,244
Non-curr.	2,694,858	2,862,515	— 167,657
Mun. loans	25,982,092	22,123,339	+ 3,858,753
Premises	11,950,000	12,400,000	— 450,000
Lets. of cred.	12,581,898	11,755,921	+ 825,977
Mortgages	1,338,704	1,125,766	+ 212,938
Real estate	916,341	929,947	— 13,606
Shares, loans	1,414,029	1,552,584	— 138,555
Other assets	532,116	802,197	— 270,081
	395,949,309	351,461,699	+44,487,610
Tot. assets	749,132,357	718,194,797	+30,937,560
Liabilities to the Public			
Circulation	41,674,442	39,239,612	+ 2,434,830
Dem. dep.	134,713,173	126,109,741	+ 9,603,432
Savings	489,464,334	475,504,735	+13,959,599
Due banks	2,472,278	2,496,651	— 24,373
Due else.	5,762,370	739,989	+ 5,022,381
Lets. of cred.	12,581,898	11,755,921	+ 825,977
Bills pay.	61,426	116,432	— 55,006
Other liab.	729,134	635,764	+ 93,370
	687,459,055	656,598,845	+30,860,210
Liabilities to Shareholders			
Capital	29,916,700	29,916,700	....
Reserve	29,916,700	29,916,700	....
Dividends	913,371	913,794	— 423
Balance	926,529	848,758	+ 77,771
	61,673,300	61,595,952	+ 77,348
Total liab.	749,132,357	718,194,797	+30,937,560

Earnings Increased

A substantial increase in earnings for the six months is reported at $2,469,326, compared with $2,414,012 for the corresponding period of last year. After writing $150,000 off premises, paying dividends, etc., the balance was increased from $848,758 to $926,529. Following are comparative figures:

Six Months End. April 30	1926	1925
Profits	$2,469,326	$2,414,012
Govern. tax	194,583	241,806
Balance	$2,274,743	$2,172,206
Dividends	1,795,002	1,768,335
Balance	$ 479,741	$ 403,871
Prev. balance	596,788	761,586
Total	$1,076,529	$1,165,458
Rest account	....	316,700
Premises	150,000	....
P. & L. balance	$ 926,529	$ 848,758

Staff Gossip

John Kelly, manager of the Standard Bank at Durham, is retiring after five years' service.—Sun, Orangeville.

* * *

Congratulations are extended to Henry Green, who has been promoted to teller in the Bank of Commerce service.—Sun-Times, Owen Sound.

* * *

E. E. Battles, of the Standard Bank, Hillsdale, has been transferred to Calgary.—Examiner, Barrie.

* * *

Gerald Service, of the Bank of Montreal staff, has arrived from Rupert to fill the position made vacant by the resignation of W. T. Esselmont.—News, Stewart.

* * *

John Kelly, manager of the Standard Bank, at Durham, for thirty-nine years, and in the banking business for a little over fifty years, is retiring on June 1.—Witness, Bradford.

* * *

N. T. Brown is the new accountant of the Bank of Montreal, having been promoted from Winnipeg, where he was assistant accountant, to fill the vacancy caused by the transfer of John Rae to Calgary. About 12 years ago, Mr. Brown was a member of the local staff, and in the interval he has served at the Vancouver, Victoria and Winnipeg branches.

Keen regret is felt by the local staff in regard to the transfer of Mr. Rae, who had been here for two and a half years. In tendering best wishes, and as tokens of high esteem, Manager Frank Pike, on behalf of the staff, presented Mr. Rae with a piano lamp and pipe.—Journal, Edmonton.

Alberta is to Settle Claim of Royal Bank

From Our Own Correspondent.

EDMONTON.—At the opening of the adjourned session of the Alberta legislature, Premier Brownlee announced that the Alberta government had decided to settle the claim of the Royal Bank in connection with the northern railways on a basis of one of two offers as follows: $1,300,000 payable; $300,000 in five years, $500,000 in seven years, and $500,000 in 10 years, or in the alternative, $1,275,000 in cash. This arrangement had been decided upon after lengthy consultation with eminent legal counsel, including Eugene Lefleur, K.C., of Montreal.

"We are now awaiting the consideration of the new offers and the reply from Hon. C. A. Dunning, minister of railways," said Mr. Brownlee. "When these are in hand we will be in a position to decide whether we shall sell, continue to lease, or operate as a provincial government railway."

Dishonored Cheques

By H. DUNCAN, Oshawa, In the Caduceus

A problem that will have to be faced by bankers in Canada before long is the practice of customers drawing upon banks where they have not sufficient funds to meet their cheques. It is true that the bankers themselves are in some measure responsible for this state of affairs, and the custom is growing to a disquieting degree. In most instances the offending cheques are refused and there the matter ends.

In many cases, however, it is quite legitimate: for instance, where customers make arrangements beforehand with their bankers to borrow by way of overdraft; and in others where it is tacitly understood that an occasional overdraft is permissible; but where customers deliberately draw on the banks, knowing that there are not funds sufficient to cover their drawings, and without arranging to do so with their bankers beforehand, then the matter becomes serious and objectionable to the banks. Many current accounts are not profitable and the privilege, if it may be so termed, of having a current account, should not be abused.

It must be admitted that the labor involved in dealing with dishonored cheques is not inconsiderable, especially in the large centres where adjusting entries between banks have to be made by a certain hour each day. In most cases the intention is not dishonest and no reflection is cast upon the character of those who indulge in the practice, and their name is legion, but why should this sort of thing be tolerated in Canada more than in other countries? Radical changes cannot be brought about in a day, but is it not high time for the banks to take action to put an end to this abuse. The overdrawing of an account is not in itself objectionable, although not always desirable, if there is an understanding between the bank and the customer; but a great many people issue cheques knowing perfectly well that they will be dishonored on presentation; and why should the bank's time and energy be expended on the customer who will persist in overdrawing his account without authority?

Those who offend in this respect should be warned that they are in danger of losing banking accommodation altogether, and if a proper stand were taken among the banks the dishonoring of cheques would soon become a thing of the past, and all concerned be better satisfied. Of late the banks have, through concerted action, brought about certain reforms which are proving of mutual advantage to all. Why should they not go a step further and through their staffs educate their customers to the fact that unless they can conform to the requirements of the banks, then banking facilities must be denied them?

Weekly Bank Clearings

(In comparison with the same week last year.)

EASTERN CITIES	May 21, 1925	May 20, 1926
Halifax	$ 3,895,017	$ 2,857,694
St. John	2,494,926	2,577,992
Moncton	818,053	885,061
Sherbrooke	660,381	1,100,907
Quebec	4,677,694	6,293,908
Montreal	91,095,461	107,871,184
Ottawa	6,929,690	7,385,074
Kingston	575,120	705,643
Toronto	92,273,808	105,024,000
Peterboro	1,815,996	802,476
Hamilton	4,837,432	5,183,547
London	2,509,299	3,125,882
Brantford	1,203,172	1,038,769
Kitchener	899,624	1,021,429
Sarnia	....	581,848
Total, East	$214,685,673	$246,455,414

WESTERN CITIES	May 21, 1925	May 20, 1926
Fort William	$ 1,022,280	$ 1,197,885
Winnipeg	42,727,536	53,810,860
Brandon	639,043	640,024
Regina	3,097,391	4,456,155
Moose Jaw	1,096,243	1,066,912
Saskatoon	1,409,178	1,830,716
Prince Albert	309,888	403,611
Lethbridge	513,985	537,624
Calgary	5,418,627	6,404,324
Edmonton	4,420,549	4,624,454
Medicine Hat	289,949	288,755
New Westminster	647,315	692,908
Vancouver	14,982,826	16,191,511
Victoria	1,987,355	2,469,676
Total, West	$78,562,165	$94,615,415

£

5¼%
On Guaranteed First Mortgage Certificates

One of the safest and most convenient forms of investment for amounts of $100 up.

An interesting booklet describing these guaranteed certificates in detail will be forwarded upon request.

THE STERLING TRUSTS CORPORATION
10-12 East King St., TORONTO
Branch:—REGINA

FORGERY IS THE FASTEST GROWING AMERICAN CRIME

Business Losses Are More Than $200,000,000 a Year

America's fastest growing crime is that of forgery, alteration and manipulation of bank checks and other negotiable instruments whereby criminals are taking from the business people of America more than $200,000,000 annually, W. L. Barnhart, resident vice-president of the National Surety Co., New York, told the members attending the annual convention of the North Carolina Bankers' Association recently. His address was on "Criminal Psychology" and dealt primarily with the professional crook, with only passing reference to the amateur clerk, cashier or bookkeeper.

Said rapidly, the amount does not seem so big, but when it is considered that it is 18 times as much as the Woolworth building recently sold for —$11,000 000—one realizes that the situation is worthy of serious consideration, Mr. Barnhart said.

Educated Crime

"Modern crime is educated crime. Criminals find it more profitable and safer to swindle hundreds than to rob one by knocking him on the head. In the case of burglary or a hold-up, the difference between liberty and imprisonment may be only the difference of a few seconds, whereas with check crimes, the skillful criminals generally manage to time their forgeries in such a way that they have 30 days to make a getaway before the victim discovers that a criminal act has been committed against him," he said.

The professional crook makes it his business to think up new and novel schemes of defrauding, "many of them enjoying princely incomes contributed largely by the carelessness and gullibility of bankers and business men. The professional check forger's success lies largely in what I shall term 'victim psychology.' In other words, he has studied out, through a long period of years, the typical psychological reaction of a bank teller, bank cashier — even a bank president. Also he knows how the average business man will react under any given set of circumstances. Knowing this, he carefully lays his plan, with almost a certainty that his victim will 'run true to form' and will act under stress of circumstances exactly as he had predicted in his plans that he would act."

The brains of the check crook gang, Mr. Barnhart said, is usually the "scratcher," who is able to raise, alter, manipulate and counterfeit any check brought to him. He usually stays in the background, an accomplice "picking up" the checks, getting signatures of business men and bankers, other associates undertaking to "lay down" the forged paper, getting in exchange cash, bonds, diamonds, automobiles, or anything of value that can be taken away and sold.

Getting Signatures

The 'picker up," to get a signature, will write a letter requiring a reply, send a solicitor to get a charity subscription, purchase and return goods by mail for refund, rob mail boxes, or other means. A test made by his firm resulted in securing many signatures and checks of well-known concerns in a short time, Mr. Barnhart said.

The "scratcher" does the raising, altering, counterfeiting or duplicating. A modern method is duplication by printing, hundreds being made from one copy. The "layer down," with his knowledge of "victim psychology," is the man the bankers come in contact with. He illustrated with instances in which hurry and confusing the teller netted returns to the crook, laying down the dictum: "Never let a stranger hurry or confust you by any unusual method of procedure."

RECESSION IN REALTY VALUES

CHICAGO.—A moderate recession was registered in real estate market activity during April, according to the index of that activity compiled monthly by the National Association of Real Estate Boards from official totals of transfers and conveyances recorded in 41 typical cities.

The index for April went down to 173, a drop of four points from the March index, and a figure three points below the index for April of last year.

Building permits for April in 484 citites, as shown by statistics collected by S. W. Straus & Co., showed a loss of eight per cent. from the record for April of 1925. There was, however, a slight gain over the total number of permits issued in these cities during March of this year.

Capital: $1,000,000
Reserve: 350,000

Complete Trust Service
covering
Wills and Trusts
Mortgage Loans
Real Estate and Investment
Registrar and Transfer Agents
Safety Deposit Vaults

THE EASTERN TRUST COMPANY
Head Office—Halifax, N.S.
Saint John, N.B. St. John's, Nfld.
Charlottetown, P.E.I.
MONTREAL—138 St. James St.
23

A Dominion-Wide Organization

The Canada Permanent Trust Co., with branch offices in almost every important centre in Canada is in a splendid position to offer efficient and prompt service as

Stock Transfer Agent
Registrar
Trustee for Bond Issues

The responsibility of our Company, our conservatism and facilities for acting in the above capacities will insure both safety and profit in the employment of this company in these services.

You are invited to confer with the Officers of the Company.

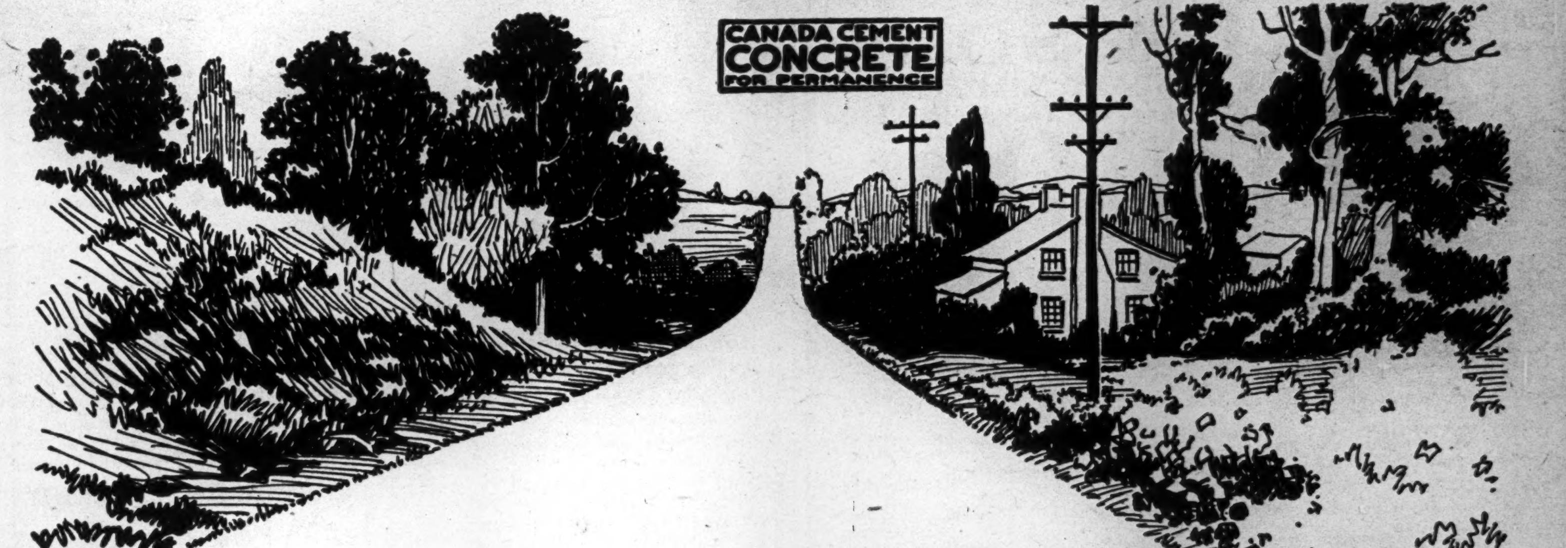
Directors
W. G. Gooderham, *President*
E. R. C. Clarkson, *Vice-President*
George H. Smith, *General Manager*
Col. A. E. Gooderham
F. Gordon Osler
William Mulock, K.C.
William Stone
George W. Allan, K.C., *Winnipeg, Man.*
A. B. Campbell, W.S. *Edinburgh, Scotland*
Norman MacKenzie, K.C., *Regina, Sask.*
Ontario Branch Manager - A. E. Hessin

THE CANADA PERMANENT TRUST CO.
Paid-up Capital One Million Dollars
HEAD OFFICE, CANADA PERMANENT BLDG., TORONTO.
Branch Offices, Toronto, Halifax, St. John, (N.B.) Woodstock, (Ont.) Winnipeg, Regina, Edmonton, Vancouver.
20

5% Interest Return

INVEST YOUR SAVINGS
in a 5% DEBENTURE of
The Great West Permanent Loan Company
SECURITY
Paid-up Capital $2,414,663.00
Reserves 1,100,000.00
Assets 6,184,420.00
HEAD OFFICE, WINNIPEG
Branches: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria. Edinburgh, Scotland.

Hotel Continental
Center of New York Activities
BROADWAY and 41st STREET
Finest location to live when in town.
300 Rooms, 300 Baths.
$2.00, $2.50 and $3.00 per day.
Double, $3 to $6 per day.
Rooms of unusual large size.
Between Grand Central and Penn Terminals.
Send for Free Map of New York.
HENRY S. DUNCAN, *Proprietor*
151



Waldau-Petersburg Section of Kitchener-Goderich Highway, Ont.

Your Taxes are INVESTED When Spent on Concrete Roads

Freedom from costly upkeep! Greater tire and gasoline mileage! Less wear and tear on vehicles! Reduced haulage costs! Greater tourist traffic! These are a few of the dividends paid by concrete roads and all of them affect the pocket of the average man, directly or indirectly.

That is why the average man — the taxpayer — looks on concrete roads as an investment. They are permanent. Their first cost, practically their last, is quickly recovered by the maintenance money saved, a fact that enables increasing mileage to be built with each ensuing year's appropriation.

And the greater the mileage of permanent concrete roads a community possesses, the greater its attractions for industries and profitable tourist traffic and the greater the comfort and prosperity of its inhabitants.

"It's the little they cost to maintain that makes Concrete Highways economical."

Canada Cement Company Limited
Canada Cement Company Building
Phillips Square Montreal
Sales Offices at: Montreal Toronto Winnipeg Calgary

Highways of Concrete

DUNNING'S BUDGET SPEECH WAS ONLY PROGRESS REPORT

New Railways Minister Had Nothing Novel to Offer

POLITICS AND C.N.R.

Sir Henry Thornton Having a Hard Job to Keep Back-Benchers From Being Inquisitive

Special Correspondence.

OTTAWA.—The real debut of Hon. Charles Dunning, minister of railways, in the House of Commons proved to be only a moderately auspicious event. After all, it could hardly have been otherwise. Those who expected that Mr. Dunning would announce new and striking policies for the solution of Canada's railway ills, were doomed to disappointment. Mr. Dunning is a shrewd campaigner and an able enough business executive besides. He was not ready to stake the political fortunes of his party and of himself, nor the future of Canada's greatest single investment upon the few months' study he has been able to give railway questions since he came from the West to keep the Liberal government in office.

And so, although the minister skirted around the edge of the thinner ice, and almost plunged once or twice into an important commitment, his railway budget address proved to be merely a congratulatory reference to improving operations on the Canadian National Railways under Sir Henry Thornton, and a mild discussion of some of the questions that must be solved.

What He Did Not Do

He did not commit the government to any consolidation of the two main railway lines nor did he even commit the government to a maintenance of the status quo.

He did not commit the government to a writing down of the capitalization of the Canadian National Railways, although he indicated that in his own mind something ought to be done about it, and might be done another time.

He was equally indefinite on questions of railway rates—and wisely so, since railway freight rates are better out of politics and in the hands of the railway board.

Coming from Saskatchewan, he might have been expected to discourse at length upon the Hudson Bay Railway, but he did not drag the H. B. line into his C. N. R. estimates at all.

There being so many subjects that Mr. Dunning might have discussed—and probably would have discussed if he had been a year rather than only a few months in office—it may be wondered how he managed to keep talking for so long. He found it no problem. There seemed to be plenty to say. He would be a weak orator, indeed, who could not talk for hours at a stretch upon the railway problems of Canada and still have most of his ideas unsaid.

What C.N.R. Will Cost This Year

Of chief importance was his National Railways budget for the present fiscal year—the twelve months to March 31 next. He estimated that the Canadian National would cost the country $31,000,000 in interest, maintenance, etc. Another fifteen and three-quarter millions would be spent on capital account. Mr. Dunning made no promises that any of this amount would be saved, but he did say that with a reasonably good harvest, the railways might this year earn the entire amount of the interest on securities in the hands of the public. Last year they came within twenty per cent. of accomplishing this.

Reviewing the improvement in the past six years, Mr. Dunning stated that the difference between the operating loss of 1920 and the operating surplus of 1925 was $66,000,000, while in the period the total increase in fixed charges was $26,000,000. In six years, then, the line had improved to such an extent that its cost to the tax payers was $40,000,000 a year less.

Magic of Traffic Density

To really bring the railway to a point where it cost the taxpayers nothing, Mr. Dunning admitted, was a problem, and the magical formula to solve the problems was voiced by Mr. Dunning in two words "traffic density." He did not develop this point beyond suggesting that larger immigration would help maintain earnings on the many thousands of miles of purely colonization roads that exist in Canada. He apparently did not consider the moment opportune to discuss how the Hudson Bay railroad would add to the traffic density of the Canadian National Railways nor to discuss how traffic density in Eastern Canadian industrial centres might be built up.

Mr. Dunning frankly admitted that it was useless to consider raising railway rates to the point where anything like the entire investment of the people of Canada in government-owned and government-operated railways could be made to return something upon the expenditures that have been made in the past. Most of the money spent was water over the dam and ought to be forgotten. To attempt to make it earn anything for the taxpayers by charging higher rates was an impossible solution. Even to ask the Canadian National Railways to pay interest upon the amounts that had been advanced from time to time by the government was out of the question. He evidently did not even consider it worth discussing to suggest that the government railways might ever return the amounts that

(Continued on page 20)

P. LYALL & SONS

CONSTRUCTION COMPANY, LIMITED

Fourteenth Annual Report for the Year Ending March 31st, 1926

ASSETS

Plant—Montreal, Ottawa, Esquimalt, Thorold		$559,899.12	
Government Plant—			
Welland Canal	$1,186,623.88		
Less Amortized	1,186,623.88		
Buildings—Montreal		148,252.74	
Real Estate		772,170.84	
			$1,480,322.70
Patent Rights, Goodwill, etc.			1,076,909.89
Dominion Government Bonds and other Securities			404,747.85
Stocks on Hand			38,102.17
Work in Progress			472,786.96
Deposits on Contracts			704,233.25
Accounts Receivable			554,020.29
Miscellaneous Assets			151,365.93
Cash on Hand, Banks, Head Office and Branches			105,359.59
			$4,987,848.63

LIABILITIES

Capital Stock—			
Seven per cent. Cumulative Preferred—			
Authorized 15,000 Shares of $100.00 each		$1,500,000.00	
Issued			$1,300,000.00
Common—			
Authorized 17,500 Shares of $100.00 each		1,750,000.00	
Issued			1,750,000.00
Six Per Cent. First Mortgage, Twenty Year Gold Bonds—			
Authorized and Issued		1,250,000.00	
Less Bonds retired		706,600.00	
			543,400.00
Open Accounts Payable		38,267.01	
Accrued Wages to end of Fiscal Year		13,114.47	
Sub-contractors Balances and Drawbacks		142,832.65	
			194,214.13
Accrued Interest on Bonds to end of Fiscal Year			5,434.00
Accrued Dividends on Pfd. Stock to end of Fiscal Year			15,166.66
Bank Loans for Deposits			700,000.00
Add—			
Earnings as per Profit and Loss Statement		262,291.64	
Less—			
Bond Interest	$34,074.00		
Preferred Dividends	91,000.00		
Bond Redemption	73,500.00	198,574.00	
		63,717.64	
Add—			
Amount at Credit of Profit and Loss, March 31st, 1925		415,916.20	
			479,633.84
			$4,987,848.63

Audited and found in accordance with the books and vouchers of the Company. The Stocks in Trade have been inventoried and certified by the proper Officers. We have examined the Stocks and Securities. All our requirements as Auditors have been complied with.

WRIGHT & KINGAN, Per Gordon B. Kipgan, C.A., Auditors.

Approved: William Lyall, H. W. Beauclerk, Directors.

PROFIT AND LOSS ACCOUNT
As at March 31st, 1926

Earnings—		
After deducting Rent, Insurance, Taxes, General Expense, etc.		$262,291.64
Appropriated as Follows—		
Bond Interest to end of Fiscal Year	$34,074.00	
Preferred Dividends to end of Fiscal Year	91,000.00	
Appropriation for Bond Redemption	73,500.00	
		198,574.00
		$ 63,717.64
Amount at Credit of Profit and Loss—Year ending March 31, 1925		415,916.20
Surplus		$479,633.84

Audited and verified, WRIGHT & KINGAN, Per Gordon B. Kingan, C.A., Auditors.

Gentlemen—

Your Directors beg to submit the 14th Annual Statement of your Company for the year ending March 31st, 1926.

After deducting all the fixed charges, the gross earnings were $262,291.64, from which the following amounts have been appropriated: Bond Interest $34,074.00; Preferred Dividends, $91,000.00; and Appropriation for Bond Redemption, $73,500.00; leaving a balance of $63,717.64 to be carried forward to Profit and Loss. The total surplus now standing at $479,633.84.

You will observe that Goodwill has been reduced by $706,600.00, being the amount that had been appropriated for Sinking Fund Bond Redemption. The item of Sinking Fund Bond Redemption, as requested by the Shareholders at the last Annual Meeting, will not again appear in the Statement.

Owing to weather conditions, the amount of work done was not as great as during the previous year, but fair profits were maintained.

Excess wages over and above the schedule in force on the Welland Canal when the contract for Section 3 and 4 was undertaken now amounts to over Four Hundred Thousand Dollars ($400,000.00), and while no decision has as yet been reached, negotiations are still pending.

The Contract for the Steel Gates for the Welland Ship Canal has been secured by the Steel Gates Company, Limited, which is owned entirely by your Company.

Exceptionally keen competition still prevails in the building business, but the outlook for other classes of construction is more favourable.

Your Directors take this opportunity to express their appreciation of the loyalty and efficient work of the staff and employees of the Company.

Submitted on behalf of the Directors,

Montreal, May 11th, 1926. WILLIAM LYALL, President.

The Foreign Exchanges

Conducted by S. J. ZACKS.

A sharp recovery of the franc was a feature of the week's exchanges. On Wednesday the franc closed at $.0329, over ½ cent. higher than a week ago, when it reached a new low. The decision of the French government to support the franc, followed by the capitulation of the leader of the Riffs and the suppression of the revolt, gave abundant strength to the franc. Many claim that the decision of the French government to support the france should be sufficient to offset current beliefs that the French franc will follow the paths of the German mark. Numerous prophets who have foretold the extinction of the franc by a process similar to that which reduced the German mark to the vanishing point do not realize the tremendous differences involved in the last stages of inflation. No currency is capable of utter extinction without the connivance of government. It is not known when the German government decided to completely devalorize the mark — whether this was when quotations had declined to six cents or five cents or four cents—but it is quite evident that at some stage in the debacle this decision was deliberately reached, and from that time until the end of inflation German money was utterly worthless. Not a single act of the French government substantiates any intention to do likewise. The evidence is all the other way.

It is also pointed out that when the Morgan credits were put into use to stem the decline of the franc last week, it was apparent that the banker's short interest was considerably less than that which existed in 1924.

The public is anxiously awaiting the Bank of France's statement which will be published on Thursday. The extent of the strain which last week's treasury refunding operations had caused on the credit facilities of the bank will be an important factor.

The Belgian franc has moved with the French franc and closed on Wednesday at $.0319. U. S. funds again sold off to the gold export point. Anticipation of gold movements from New York in connection with the province of Ontario's $25,000,000 note issue strengthened Canadian dollars.

Another noteworthy advance was that of Spanish pesetas, which reached the highest point in three years when news of the surrender of Abd-El-Krim became public. Pesetas jumped 22 points to 14.84 cents.

Sterling has displayed considerable strength, cables closing at $4.86.

NEW YORK FUNDS

	High	Low	Last year High	Last year Low
May 20	1-64	1-32	Par	Par
May 21	1-32	1-32	Par	Par
May 22	1-32	1-32	1-64	1-64
May 24	....	....	....	....
May 25	1-32	1-16	Par	1-64
May 26	5-64	9-64	Par	1-32

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
May 20	4.86 3/16	3.04¾	3.91¾
May 21	4.86 1/16	3.26¾	3.86¼
May 22	4.85 15/16	3.27½	3.87½
May 24	4.86⅛	3.35¾	3.85¾
May 25	4.86⅛	3.21½	3.82½
May 26	4.86¼	3.29	3.76¾

FOREIGN EXCHANGE

Par		Close May 19	Close May 26
19.30	Italian	3.89	3.76¾
23.82	German	23.80	23.77
32.45	Brazil	14.80	15.18
19.30	Belgium	2.96	3.19¾
94.85	Japan	47.05	46.98

ASK AUTO TARIFF ON RETAIL PRICE

Automobile Manufacturers to Press for This Concession From the Government

The directorate of the Canadian Automotive Industries conferred in Toronto this week on points in connection with the automobile tariff. Suggestions and recommendations to the government were considered. The most important question was as to whether, for duty purposes, the assessment shall be made on the retail or wholesale prices of American automobiles. Section 41 of the customs act provide as follows: "Whenever any duty ad valorem is imposed on any goods imported into Canada the value for duty shall be the fair market value thereof when sold for home consumption in the proper markets of the country, whence, and at the time when same were exported to Canada."

If the manufacturers cannot get the government to agree to basing the duty on the American retail price, a valuation of a certain discount below that price will probably be suggested as more satisfactory than the present system.

Lake Shore Mines, Limited

(No Personal Liability)

DIVIDEND No. 25

Notice is hereby given that a quarterly dividend of ten per cent., on the issued capital stock of the Company, will be paid on the 15th of June, 1926, to shareholders of record at the close of business on the 1st of June, 1926.

By order of the Board.

Kirkland Securities, Limited, Secretary.

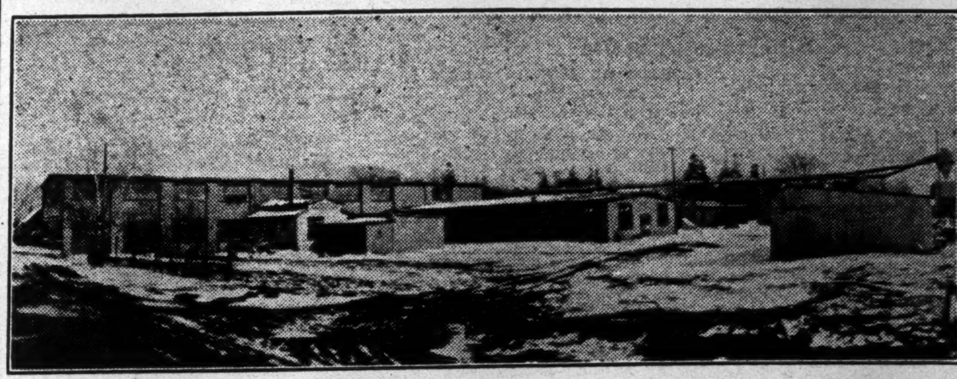
Dated at Kirkland Lake, Ontario, May 26, 1926.

DO YOU NEED THIS MAN?

He is a Canadian, 25 years of age, with a college education, of good appearance and address. He has a splendid business training, covering general office work, banking, correspondence, sales work and actual selling.

At present employed, he seeks to better himself with a growing concern where energy, initiative and ability will assure a future. Remuneration not important. At present located in Toronto. Address Box 140, Financial Post, Toronto.

A Modern Brick Plant, Light and Clean at a BARGAIN



Ideal Location East of Toronto

Excellent shipping facilities by rail and water. Cheap labor — Low taxes — Liberal concessions.

Enquiries Invited

J. P. Lawrason
25 Toronto Street
Toronto 2, Canada

WANTED
EXECUTIVE POSITION

By energetic man with 25 years' financial experience—Promoting—Loan Company Management—Trust Company Organization and Management. Free June 1st. Willing to go to Vancouver. Reply in confidence to Box 120.

The Hamilton Provident and Loan Corporation

DIVIDEND No. 110

Notice is hereby given that a Dividend of Five per cent. (being at the rate of Ten per cent. per annum) upon the Paid-Up Capital of this Corporation, has been declared for the half year ending June 30th, 1926, payable on and after Friday, the 2nd day of July next.

The Transfer Books will be closed from the 15th to the 30th June, inclusive.

By order of the Board,

D. M. CAMERON, General Manager.

Hamilton, May 25th, 1926.

Tenders for Debentures

Sealed tenders, marked "Tenders for Debentures," will be received by the undersigned up to 8 o'clock p.m. of Wednesday, the 2nd day of June, 1926, for the whole or part of $10,000 of Debentures issued by the Board of Trustees of the Roman Catholic Separate School for School Section No. 4, Township of Calvert. These debentures are payable at the expiration of thirty years from the 25th day of March, 1926. Interest at the rate of 5% per annum is payable yearly. Coupons covering interest are attached to debentures.

THE PAYMENT OF THESE DEBENTURES AND INTEREST IS GUARANTEED BY THE PROVINCE OF ONTARIO.

The highest or any offer not necessarily accepted.

Information regarding these debentures may be obtained from the undersigned or from Fred. A. Day, Solicitor, 1105 C.P.R. Building, Toronto 2.

ALEX. PELLETIER,

Secretary of the Board of Trustees for the Roman Catholic Separate School for School Section No. 4, Township of Calvert. Post office address, Iroquois Falls, Ontario.

Barcelona Traction Light Power Company Limited

(Incorporated under the Laws of Canada)

NOTICE IS HEREBY GIVEN that the Board of Directors of the Barcelona Traction, Light & Power Company, Limited, have declared a dividend of one and three-quarters per cent. (1¾%) on the 7 per cent. Non-Cumulative Participating Preference Shares of the Company, payable on the 30th June, 1926, to all Shareholders of record at the close of business on the 15th June, 1926.

DATED at Toronto, Canada, 27th May, 1926.

R. H. MERRY, Secretary.

NOTE—The Transfer Agents of the Company are National Trust Company, Limited, Toronto, Canada.

The London Agents of the Company are the Canadian and General Finance Company, Ltd., 3, London Wall Bldgs., London, E.C. 2.

WANTED SALES EXECUTIVE

Manufacturing Corporation in Ontario town requires the services of an able and energetic Sales Manager. Must be prepared to carry out vigorous sales policy, supervise sales staff, credit and collections. Applicants should give as much personal and past business experience as possible. Must be willing to accept modest remuneration until worth is proven.

Apply Box 138, Financial Post, Toronto 2

A branch of the Imperial Bank has now been opened at Pine Ridge, Ont., thus making three branches now established in the Red Lake district, the other two being at Sioux Lookout and Hudson, Ont.

DIVIDEND NUMBER 150

Hollinger Consolidated Gold Mines, Limited

(No Personal Liability)

A dividend of 1.6% on the outstanding capital stock of the Company has been declared payable on the 17th day of June, 1926, on which date cheques will be mailed to shareholders of record at the close of business on the 1st day of June, 1926.

Dated the 25th day of May, 1926.

I. McIVOR, Assistant-Treasurer.

St. Maurice Valley Corporation

Dividend Notice

Notice is hereby given that a dividend of 1¾% for the three months ending June 30th, 1926, being at the rate of 7% per annum on the paid up Preferred Stock of this Corporation, has been declared and that same will be paid on the second day of July, 1926 to Shareholders of record at the close of business June 15th, 1926.

By order of the Board,

A. DEHAUFFE, Secretary and Treasurer.

Montreal, May 10, 1926.

DEBENTURE ISSUE

Tenders will be received by the undersigned up to 12 o'clock noon, June 5th, for the purchase of the BONDS of the Campbellton School Board, amount $35,000.00, denominations of $500 and $1,000, date of issue June 1st. Twenty year Sinking Fund bonds bearing interest at 5 per cent. per annum payable half-yearly.

(Signed) DONALD MacLEAN, Secretary School Board, Campbellton, N.B.

The Wabasso Cotton Company, Limited

Dividend No. 34

Notice is hereby given that a quarterly Dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of the Company, for the quarter ending 30th June, 1926, payable on the 2nd of July, 1926, to Shareholders of record at the close of business on the 15th June, 1926.

By Order of the Board.

JAS. R. RITCHIE, Secretary-Treasurer.

Montreal, May 13th, 1926.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the FIRST day of JUNE next, to Shareholders of record of 30th April, 1926.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR, General Manager.

Montreal, 20th April, 1926.

THE ONTARIO LOAN AND DEBENTURE CO.

156th DIVIDEND

Notice is hereby given that a QUARTERLY DIVIDEND of 2¾ PER CENT. for the current quarter ending 30th June, 1926 (being at the rate of 11 per cent. per annum) has been declared on the paid up capital stock of this Company and will be payable at the Company's Office, London, Ontario, on or after the 2nd July, next, to Shareholders of record of the 15th June, 1926.

By Order of the Board.

T. H. MAIN, Manager.

London, Canada, 25th May, 1926.

Industries

often suffer from unjustifiable public censure because they lack the ability to express themselves properly. A thoughtful presentation of their position carefully prepared oftentimes makes valuable news. Preparing stories for publication requires the trained mind, adept in the reportorial art, only gained through years of arduous service.

We maintain a specialized publicity department for organizations and conventions whose programs contain general public interest.

Consult Journalist For Publicity

Box 130, The Financial Post,
153 University Avenue, Toronto.

Dominion Glass Company Limited

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of June, 1926.

Notice is also hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of June, 1926.

The above dividends are payable on Friday, the 2nd day of July, 1926, to Shareholders of Record at the close of business Tuesday, the 15th day of June, 1926.

By Order of the Board.

MERVYN OFFER, Comptroller and Secretary.

Montreal, 20th May, 1926.

WANTED Big Executive

Fine Opportunity

AN association of related concerns —some of the largest, most aggressive in American industry—seeks an executive of proven capabilities.

—a man of mature business judgment.
—a man who can direct a headquarters.
—a diplomat who can act for an executive committee.
—he must be well versed in national merchandising, advertising and publicity.
—he must be making good now—earning $10,000 a year at least.

For such a man we offer up to $20,000 to start, a unique opportunity for a present and future.

State simply what you are doing now and brief your history in business. Correspondence will be kept confidential.

Box 132, Financial Post, Toronto, Ont.

INDUSTRIAL LEADER SAYS EAST WAGES LOSING FIGHT

Retiring Head of Maritime Provinces Manufacturers' Body Says Economic Disadvantages of Seaboard Provinces Must be Righted

By J. L. McDONALD,

Of Atlantic Underwear, Limited, Retiring Chairman, Maritime Division of Canadian Manufacturers' Association in annual address.

THE Maritimes have been somewhat in the limelight during the last two years owing to a strong manifestation of discontent with existing conditions that has given rise to an agitation more or less hazily known as "Maritime rights," and which has resulted in the appointment of a commission by the present government to enquire into its merits.

This agitation has caused a good deal of surprise and perplexity to the people in the central provinces who are not conscious of having in the far or recent past perpetrated any injustice on this portion of the Dominion. They no doubt believe that this agitation is merely the result of the difficult conditions existing all over the Dominion the past few years which each province thinks is more peculiarly pressing on themselves and that discontent in the Maritimes will blow away with the return of better times.

Eastern Canada Stagnates

A merely passing acquaintance with the history of the Maritime provinces for the last 50 years shows that, from being one of the most prosperous parts of Canada per capita, they have gradually stagnated and decayed in commercial importance. With at one time over 20 separate banking institutions whose directors were primarily concerned in the prosperity of this part of Canada, and whose funds were seeking investment in its various undertakings, we have to-day not a single solitary bank with its head office within our boundaries. While the general managers of the four largest banks in Canada all hail from the Maritime provinces it cannot be argued that we have not the necessary native ability for banking, and some reason must be advanced why our institutions have all fled to Montreal and Toronto.

Reliable statistics informs us that as many former Maritimers are living in the New England States to-day as are living in these provinces, and in addition to these, thousands have gone to the West and other parts of Canada. The head of one of our colleges recently announced that only one-half of the graduates of that institution remained in Canada. Our proximity to the States and the ease with which our young people obtain employment there in all branches of profession and industry has made it almost appear as if it were the natural destiny for our youth, when they have attained their growth and a good education, to immigrate to the States and help build up that great nation. This steady drain of our virile youth who are slipping away unnoticed every day and on almost every train can only be likened to the slow leak of an artery that must be stopped if we are to survive and make any material progress. Living alongside our great neighbor is one of our greatest difficulties. If the steady export of our people did not find such a ready market there, we would long ago, with a surplus of population on hands, been obliged to study and overcome the causes underlying the lack of employment for our people.

Losing Battle is Fought

For 50 years the people of the Maritime Provinces have been fighting a losing battle under the changed conditions that occurred about that time. The result has been that general industries have decayed and died, banks and financial institutions have departed, and we have a larger population abroad than at home, with a vast number of deserted farms and little hope in immigration to fill them. It is evident that if all this has taken place while the rest of Canada has been increasing in wealth and population, the conditions and policies that the Maritime Provinces have been trying to carry on under are obviously unsound and injurious and must be radically changed.

The bulk of our industries have been killed by the massed production of the larger plants in Central Canada who now supply these provinces around 80 per cent. of all the manufactured goods they use. This proportion is becoming greater all the time, while the products we are able to ship in return are negligible and getting less. This one-sided commercial arrangement must be changed for something better if these provinces are to prosper and political ferment is to be avoided. New policies must be adopted that will foster the growth of our local industries and in this way give sufficient employment to our own people and build up our smaller inland towns as well as our seaboard cities and in this way supply a market for agricultural products that will stimulate this industry.

Resources are Limited

While our resources are varied they are also limited in extent and have no great volume of any particular class with which to become established in the world's markets such as the limitless production of grain in the west. Our agricultural products are of such a nature that nearby towns and cities are necessary to provide a market and only in a few products and in a small portion of the Maritimes is it practicable to ship abroad.

We also require a policy that will develop our iron, coal and steel industries even if it means a temporarily higher cost of production to the manufacturers in Central Canada.

It is not going to be a satisfactory answer any longer to tell us that owing to our geographical situation we must not hope to market much of our products in the Central Provinces, but rather we must seek to develop our own resources suitable for foreign export, and find a market abroad rather than in Canada. If we are forced to sell abroad we are going to be compelled to more or less buy abroad, and will have to ask and require such fiscal changes as will assist us to do so.

We want the manufacturers of Central Canada to realize that it is to their manifest interest to see that the commercial interests of these provinces are not driven further in the direction of complete isolation from Central Canada, and we must have their support for the development of our industries in return for the steady support always given policies assisting their industries by our representatives from the east.

Awakening of Our People

There is a decided awakening of the people of these provinces in regard to the conditions that have been gradually closing in on them for nearly half a century, and now that it is becoming clear where the trouble lies there is little likelihood of being lulled again to sleep by vague political promises, and the sooner this is realized the easier it will be to satisfy the people who have been the victims of policies not adjusted to their needs. We have been likened to the arm of Canada jutting out into the sea. Let Canada see that the flow of business life blood is not all in one direction, there must be circulation, or, as in the physical body, strangulation and paralysis will result that may well menace the health of the entire confederation.

I submit it is the part of wisdom for manufacturers in Central Canada to realize these facts and when they do we have no fear for the result, and that they will support the legitimate claims of the East. I, therefore, appeal to our friends in Ontario and Quebec to study our problems, and advise their representatives in parliament that understanding consideration be given to policies designed to adjust on an equitable basis the handicap that makes industrial success so difficult—where it is also so necessary—in this end of the Dominion.

TEXTILE TRADES PARALYZED BY TARIFF IMPASSE

(Continued from page 1)

try. Summarizing conditions during the past twelve months it may be said that so far as the woollen and worsted cloth mills are concerned, they have never faced more difficult times in all their history while in the knitting section of the trade producing staples, in contrast to fashion and novelty lines, the mills have not found business more satisfactory than in the preceding year.

Foreign Competition

During the first three months of 1926 Canada, because the reduction in tariff has brought the duties below the safety line, imported from Great Britain one and a quarter million square yards of worsted and serges more than she imported during the same three months in 1925. This is the more significant, as Australia, which has raised her duties to encourage her own manufactures, imported from Great Britain in the same period in 1926 one and a quarter million square yards less than she imported in 1925.

In a letter dated April 10th from Australia from a competent authority on conditions in the woollen trade there, he says, "There have been no official reports issued of the effect of increased custom duties, but when submitting the new tariff for ratification of Parliament a few weeks ago, the Minister of Customs stated that already the manufacture of woollen goods had been changed from a stagnant to a thriving and prosperous industry." This is worthy of note because the statesmen down under have adopted a motto "Australia shall be first in Australia" and many of our difficulties would be solved if our statesmen here adopted a similar motto "Canada shall be first in Canada."

Many Mills Closed

There are a large number of cloth mills in Canada closed down or working on part time. Those which are working are not obtaining a new dollar for cloth which costs them a dollar to make. This means that the majority of operating mills are faced with the choice of either continuing to operate at a loss in the hope that conditions will shortly be better or incur the heavy losses which are inevitable to closing down, together with the loss and dispersion of their trained staff. So far as the knitting mills are concerned, the raw materials used are wool, cotton, silk and rayon, and an examination of the raw materials used in this section shows that there has been a great contraction in the amount of wool manufacturing in the past year, in contrast even to the previous year.

It has been put forward that the unsatisfactory state of the wool using industries in Canada is due to the fact that owing to changes of fashion less wool is worn. But the total consumption of woollen goods in Canada is represented by the sum of the imported goods and those produced by Canadian mills, and since about 80 per cent. of the total consumption in Canada is sufficient, if the goods were made in Canada, to keep every mill busy and engaging new employees, it will immediately be seen that the depression is not caused by women wearing more scanty costumes. The same consideration also explodes the suggestion that the depression in the industry in Canada is caused by a world wide depression and not by the tremendous and increasing importations.

To Maintain High Wages

The reason why the woollen and knitting industry needs increased tariff protection is one that even a child of fourteen can understand. It is that the competition for the Canadian market comes from countries where the workers in the mills are paid from one-quarter to one-half of the rates of wages which are paid in Canada, and that these countries have been granted by Canada special selling privileges in our home market through what are known as preferences. The woollen and knitting industry has the best and clearest case of any industry in Canada for increased protection and such protection would be to the benefit of the country as a whole. In this connection I might say that your executive is closely watching the developments in connection with the new advisory Tariff Board which has been set up by the government with a view to thoroughly understanding its methods and ascertaining how it will function in practice.

Credit Men Report Better Conditions

WINNIPEG.—At the annual meeting of the Manitoba Division of the Canadian Credit Men's Association T. E. Howard, the retiring president, presented an excellent report on the past year's operations, and made a very hopeful survey of present and future conditions as he saw them. He said in part:

"The improvement in general business conditions noticed a year ago has been maintained, with benefit to practically all lines in the West. The improved financial status of the farmers, as reflected in retail, wholesale and manufacturing circles, is material evidence of the better conditions.

"The better state of municipal and provincial financing, together with the recently announced cut in federal taxation, makes the situation look distinctly more hopeful. The revival of building and the improvement of immigration are also very encouraging factors.

"Competition still remains very keen in the wholesale trade, and the pressure has resulted in a number of consolidations of considerable importance. There are stiil many matters of moment requiring adjustment and the movement towards the stabilization of retail articles in certain lines is being watched with interest."

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News of the Mines: *A Department for Executives and Investors*

Conducted by DANIEL E. CUSHING, Mining Editor, The Financial Post.

Will Red Lake-Woman Lake Belt Extend to James Bay?

Prospectors Predict That Gold Will be Found for Distance of 800 Miles—Woman-Lake to Rival Red Lake

Will Woman Lake area, 200 miles back from Canadian National Railway, 80 miles on from Pine Ridge, the gateway to Red Lake, rival Red Lake? To the prospectors who have been in the new country and are just out, the word "rival" is just a little modest. They are satisfied that it is going to be a bigger camp than Red Lake, Tommy Powell, the original staker, venturing the opinion the Woman Lake belt or break is 25 miles wide and will undoubtedly be trained right through to James Bay.

If this opinion is ultimately proven it will mean that Northern Ontario will have a break 800 miles long. James Bay to Manitoba boundary, and extending at least 40 miles into Manitoba, the three known Ontario areas being Woman Lake, Red Lake, Rickaby Lake, the latter at the Ontario Manitoba Boundary and Bull Dog Lake and Long Lake in Manitoba.

Big Quartz Dome

Powell made his first staking in Woman Lake a year ago, and restaked this year. His original stakings were the Hill group and the Kilgour-Gorrie group of nine claims, adjoining one another. The former has been taken up in New York and Messrs Gorrie-Kilgour are incorporating the Powell-Woman Lake mines to handle the 360 acre group. It is on these claims that Powell located the much talked of quartz dome which sticks up in the air some 50 to 60 feet above the water line. It is about 150 feet wide and outcrops for a length of 600 feet disappearing at each end into low ground. There is blue, red, white and pink quartz, nigh like the Hollinger formation, the contact is altered porphyry and basalt with schist shearing all through. There are also yellow or syenite outcrops.

In the vicinity are two granite bosses, one to the south and one west and the contacts with these bodies are altered porphyry and basalt.

There is little visible gold. With a glass Powell found finely disseminated gold in the veins, while other prospectors report panning gold.

Series of Veins

The country in Woman Lake vicinity is all altered and broken and is nothing but a series of quartz veins two to fourteen and fifteen feet wide and some up to 50 feet. South of Otter Lake, W. B. and D. F. Moberly and Gus and W. Johnson with F. E. Mathe of Long Lac staked groups of claims and panned fine gold in blue quartz. Earl Lawrence and Marty Moyle, Soo Lookout, who staked near Narrow Lake have a 13 ft. galena vein with fine gold.

R. McKinnon and Harry Turrian, trappers and prospectors, who have been in the area a couple of years, have some good looking showing. Jake Davidson staked 24 claims, Stevenson, Kirkland Lake, and Green and Brennan, Haileybury, and Thos. Duncan, Toronto, were other stakers.

The incorporation of the first Woman Lake Company is not without interest. It is the start of a real mining effort to open out another section of the country, similar to Red Lake and to push back the boundary of civilization into the unknown vast stretches of the Patricia country that the late Dr. Miller thought so highly of.

MINING STOCK QUOTATIONS

Week Ending May 25

	High for week	Low for week	Close May 25	Close May 18	Sales for week
Amulet	1.17	1.10	1.15	1.15	13275
Apex	3	3	3	3¼	7000
Area	25	24½	24½	25	1000
Argo. Cons.	25	24	24½	24¼	21500
Argonaut	24¾	24½	24¾	28	6500
Atlas	2¾	2½	2½	2¾	2000
Barry Hol.	47	36	44	36	137850
Beaver	72½	69	70	70	33450
Bidgood	5	4⅞	4⅞	5½	2500
Boston Creek	3	2¾	3	4	11500
Bourlamaque	9.95	9.85	9.95	9.85	5985
Chaput-Hu.	11	10	10	9	42500
Can. Lorrain	85	83	83	85	13900
Capitol	35	34	34¼	34	24700
Castle Tre.	1.41	1.36	1.37	1.40	14100
Clifton	1⅝	1⅝	1⅝	2	3500
Coniagas	3.30	3.30	3.30	3.30	200
Coniarum	3.50	3.50	3.50	3.25	130
Col. Kirkland	3½	3	3	3	78500
Columbus	3	3	3	..	5000
Cons. Smelt.	204⅞	191⅜	204⅞	192¾	15017
C. W. Dome	15	14	15	15	65000
Crown Res.	12	10	11	12¼	52700
Dupuy	27	25	26	27½	14000
Don Rouyn	36	32	35	36	18000
Dome Mines	13.75	13.00	13.75	13.75	2355
Everett	7	6¾	6¾	7¼	16300
Gold Hill	39½	38	38	39	37057
Goldale	29	28	29	29	5500
Gold Reef	1¾	1¾	1¾	2	2000
Hollinger	19.00	18.85	19.00	18.85	870
Indian	9	6	6½	5¾	13030
Laval, Que.	24½	22	22	23	23000
Int. Nnc. com.	35	33½	35	33⅝	305
Keeley	1.55	1.49	1.50	1.55	12505
Keora	7	6½	6⅝	6⅞	35200
Kirk. Hunt.	19	18	18	17½	8000
Kirk. Lake	1.10	1.07	1.09	1.07	3680
Lakeside	4¼	3⅞	4¼	4	38200
Lake Shore	10.65	10.30	10.60	10.35	3550
La Rose	12	11	11	12	4220
Lorrain	4	3½	3¾	4	15500
McKinley	19¾	18	19¾	17½	12500
McIntyre	25.10	24.80	25.00	25.00	4030
Millcrest	16½	13½	15	16	44700
Mining Corp.	3.40	3.31	3.40	3.40	6350
Moneta	17	13	17	12	1500
Newray	36¼	36	36	34	3500
Nipissing	5.65	5.50	5.50	5.75	760
Night Hawk	8	7	7½	8	9900
Noranda	15.50	15.00	15.45	15.50	8188
Porc. Crown	5½	5	5	5½	10000
Premier Gold	2.10	2.10	2.10	2.11	6390
Preston	4⅞	4½	4⅞	5	6000
Teck Hughes	3.43	3.34	3.41	3.42	32260
Timiskaming	12½	11	12½	11½	8000
Tough Oakes	39½	38	38	37½	14500
Stadacona	42½	40½	42½	40	36500
Vickers	41	40	40	42	3000
Victory Silver	5	4½	4½	5¼	5500
Vipond Cons.	1.61	1.57	1.59	1.62	10262
Rouyn	4	3½	3⅞	4	43690
Wasapika	2	1½	1½	1	2000
West Tree	3	2¾	2¾	2½	12000
Wigwam	32½	30	32½	28½	50860
Wr. Har.	8.25	8.10	8.10	8.25	1130
Rouyn, Que.	2¼	2¼	2¼	2	1000

RICH GOLD FIND EXPECTED IN WOMAN LAKE VICINITY; ENGINEERS CAMPED THERE

Rumor around the Red Lake-Woman country is to the effect that a gold discovery that will startle the whole country will be made in the Patricia area this year.

This indicates that it is already known, presumably to the department of mines or geologists.

Supporting this theory is the presence of a number of engineers camped on the portage at Woman Lake. It is said that an engineer of the McIntyre is among them. This seems to be the explanation of their presence.

The interesting question is, how is the news going to be given out, if there is any to give out. Will someone be tipped off or will the announcement be public, giving everyone a chance?

Somewhere in the Patricia country there is another Cobalt. Everyone seems to think so. It is believed that the next 100 or so miles on from Woman Lake will some day reveal it.

WRIGHT-HARGREAVES POSITION IS STRONG

Company is Reported to Have Opened up Rich Ore on 1,200-ft. Level

Wright-Hargreaves Mines is reported to be meeting with great success in opening up the levels below the thousand. The ore is said to be consistent and at the same time the richest yet developed by any operation in the north.

The company is in a very strong position. The last statement covering the year 1925 showed that after taking care of all charges the net income was $1,209,645. To this was added tax refunds, etc., and the balance from 1924, making in all $1,385,983. From this was deducted, 1925 taxes, payable 1926, $95,000; preliminary development written off, $30,242; mine exhaustion provision $114,725 and dividend 1925 and one Jan., 1926, $687,500, leaving a surplus of $458,516. Total bullion produced for the year was $1,913,402, while operating costs were $740,931. Other income was $37,174.

The liquid position of the company is interesting. Cash on hand and in the bank stood at $1,204,449 and other current items brought the total up to $1,363,614. Current liabilities, including the Jan. 1 dividend and bonus, 10 per cent. in all and the 1926 tax provision only totalled $402,642 leaving working capital of close to a million.

The company has set aside $114,725 for mine exhaustion, leaving the book value of the mining properties at $1,385,275 and depreciation provision on plant and equipment stands at $246,863 leaving the present book value at $317,266. This year the company completed writing off the preliminary development costs of $269,682.

The main items for 1924 and 1925 give a good line on the company's position and progress:

	1924	1925
Production	$1,088,726	$1,913,402
Operating cost	535,050	740,931
Profit	553,676	1,172,471
Other income	26,839	37,174
Total	580,515	1,209,645
Bal. forward	55,038	172,635
Tax surplus	1,498	3,702
	637,051	1,385,982
Less—		
Dividend	348,750	687,500
1925 taxes	44,627	95,000
Mine exhaustion	......	114,725
Pre-develop.	76,038	30,242
Surplus	$ 172,635	$ 458,515

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SPLENDID RESULTS ON HOWIE GROUP

Red Lake Telegram Confirms Rumors That Drills Got Good Ore

For the past few weeks reports have been making the rounds steadily that Dome had encountered something good in diamond drilling the Howie property in Red Lake. It would seem that the latest report that high grade ore has been found in the core at a depth of about 550-ft. is correct.

D. S. Paterson & Co., Toronto, have a wire from Major Dunlop, Red Lake, which reads:

"Last information published in Toronto regarding Howie fully confirmed. Understand drill results splendid. This is a very great gold discovery. Camps up and men at work.

The last reference is to the Toronto Red Lake property.

In support of the above, President De Pencier of the Howie and general manager of the Dome, along with Secretary Fasken and some Dome directors are now on their way into Red Lake.

The Howie is operating three drills and McIntyre two.

Consolidated West Dome Has Good Ore on 1,250

Consolidated West Dome at Porcupine is reported to have cut ore on the 1,250-ft. level that compared favorably with the fair ore bodies that were encountered on the 1,050. This will enable the company to keep its mill going and finance operations, with a little over to take care of a small exploratory program to search for new shoots.

VICKERS IN QUEBEC

Vickers Porcupine mines is preparing to launch a program of exploration on the Graham group in Rouyn, Quebec. The property consists of 250 acres and the company has another group of 520 acres en block and there is water power in addition has its original holdings next Coniarum in Porcupine and a group in Red Lake.

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EXTEND NATIONAL LINE TO ONTARIO QUEBEC BOUNDARY

This is the Solution Advanced to End Ontario-Quebec Rly. Dispute

It is just possible that the solution arrived at in the Quebec-Ontario Railway dispute, will be for the Canadian National Railway to build to the border. This is at least being talked of in unofficial circles.

It is generally believed that when the C. N. R. gets its line from O'Brien to the Horne completed, it will find that the actual cost of construction was so much under that there will be considerable money left. Part of this will likely go to extending a spur line into the Amulet north group and Waite Montgomery and on through to cut the corner of Montbray where the Nipissing and Coniagas are operating and within close proximity of the Alderson and Mackay properties in Boischatel. The latter group by the way has advanced to the point to-day where it ranks second in the camp to the Horne property. Such a line will also bring the road close to the Arntfield groups under option of Pioneer Mining Co., a Huronian Belt organization and a second to Porcupine Goldfields Development and Finance. From these latter properties to the Ontario border is not a tremendous distance, yet through an area that has promise.

Such a solution would at least end the dispute between the two provinces and it is thought possible in many quarters that such a proposal would be satisfactory to Quebec. At the same time it would make the T. and N. O. line, Swastika to the boundary, a very valuable branch.

DROP CLINE OPTION

London, England, office of Canadian Mines Syndicate has stopped operations on the Cline property in Goudreau. No reason has as yet been given for giving up the option.

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Moneta May Reopen Porcupine Property Soon

Moneta-Porcupine Mine directors were considerably changed at a recent meeting at New York. The new board consists of R. S. Segsworth, Toronto, president; L. L. Steindler, New York, vice-president; J. Y. Murdoch, W. S. Walton and N. C. Urquhart, secretary-treasurer. It was decided to bring the head office of the company from New York to Toronto.

The company has approximately $100,000 of liquid assets, and with a number of building lots unsold. Almost 2,000,000 shares of the authorized capitalization of 3,000,000 are issued. The directors decided to consider the advisability of making a deal whereby additional funds could be put in the treasury. The sale of a block of treasury stock will probably be arranged. There is a possibility of such negotiations being completed within the next few weeks. It is proposed to go ahead with a development program.

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News of the Mines

FLOW OF ROYALITE WELL NEAR CALGARY STEADILY STRONGER

April Output Shows Production of Over 16,000 bbl.—McLeod Well Near Goal

CALGARY.—Royalite No. 4 naphtha gusher in Turner Valley during April produced 560,278 imperial gallons of naphtha, or 16,008 barrels, worth approximately $6 a barrel.

The production record of Royalite No. 4 of the eleven months preceding is as follows:

Month	Approx. Imperial Gallons	Approx. Bbls. per Month
1925		
June, 30 days	491,716	14,409
July, 31 days	536,135	15,308
Aug., 31 days	503,285	14,379
Sept., 30 days	444,569	12,702
Oct., 31 days	445,525	15,417
Nov., 30 days	539,585	15,417
Dec., 31 days	544,479	15,556
1926		
Jan., 31 days	699,261	19,978
Feb., 28 days	546,743	15,621
Mar., 31 days	562,679	16,076
April, 30 days	560,278	16,008
Total	5,874,255	168,754

McLeod Has Gas Trouble

McLeod No. 2 well is drilling again around 3,642 ft. some twenty feet into the limestone formation. Tests are being made periodically to find out the exact dolomitization of the limestone as the bit descends. The dolomitic content, which means porosity of the rock, was 31.6 per cent. at the top of the formation where McLeod entered it. After piping off the poisonous gas that was giving them so much trouble, the drillers faced trouble from the formation of ice in the hole. This is caused by the extreme cold, brought about by the expansion of gas under great pressure. To meet this problem, soda was put in the well.

Much interest attaches to the resumption of drilling at the Illinois-Alberta well, in which the new 4¾ inch casing has been run. This well is producing a bit flow of wet gas and is believed to be within a short distance of the top of the limestone. The depth is 3,570 ft.

In the Vulcan well, deep hole of the Turner Valley field, drilling continues at a depth below 4,700 ft. The bit is in the alternate hard and soft formations that are encountered in the bottom part of the calcareous shales. According to those who have studied the log, the bit reached the top of the Fernie shales at 4,360 ft. The Fernie shales generally run for 110 ft. If this assumption is correct the drill passed into the calcareous shales at 4,470 ft.

The average thickness of the calcareous shales is 500 ft.; the last fifty ft. of this formation is a soft dark brown shale, the break between the calcareous and the limestone. Making calculations from these figures it is believed that the Vulcan will hit the limestone at near 4,900 ft. The reason for the greater depth of the formations in the Vulcan is accounted for by the fact that the bit drilled through a fault in the Benton, passing more than 1,000 ft. more of this formation than was encountered in other wells. During the course of the drilling, Vulcan has struck several oil flows, all of high grade crude, and some of these substantial.

BUNKER HILL HAS ENLARGED HOLDING

Bunker Hill and Sullivan interests who have been diamond drilling all winter in Chelmsford area near Sudbury for zinc-lead deposits are said to have recently added materially to their holdings, which would indicate that the drilling was productive of favorable results.

A Sudbury report says that it is unofficially stated that nearly $250,000 has been spent on diamond drilling and other work. Something like 50,000 ft. of drilling is completed, with contracts being let for another large amount of drilling.

Veins Mile Long Near Ontario-Manitoba Border

It is reported that John Taylor & Sons have an interesting looking property at Rickaby Lake on the Ontario-Manitoba boundary. There are three important veins on the property and these are said to have been opened up at various places for a distance of about a mile. Assays are said to run high. This area is an extension of the Red Lake area.

McCarthy-Webb Will Purchase Mining Plant

McCarthy-Webb Co., operating in Goudreau will install a mining plant capable of going down 1,000 ft. A small drilling campaign has just been concluded. The Insull power is to be extended to the property. An official statement says: "The development work of the past three months, apart from the diamond drilling, has consisted in sinking No. 1 shaft to a depth of 28 ft., and No. 2 shaft to a depth of 35 ft., together with the necessary timbering. The results obtained in the sinking of these shafts, have been highly satisfactory, in No. 1 shaft, particularly so. There is a high-grade portion of the vein exposed which is abnormally rich, and the diamond drilling has definitely proven that the angle of inclination of the contact where this ore body occurs is continuous to a vertical depth of 525 ft.

"In No. 2 shaft the vein at the bottom shows free gold in many places, and the last channel sample across 5 ft., eliminating free gold, gave an average value of $12 per ton.

Sylvanite Will Issue $300,000 More Stock

Sylvanite Mines, controlled in Buffalo and operating in Kirkland Lake, adjoining Wright-Hargreaves, is increasing its capital by 300,000 shares, which will be offered to present stockholders on the basis of one new share for each ten now held. No official announcement has been made as to the price, but it is understood that it will probably be around $1.25. The present price of Sylvanite shares is between $1.50 and $1. With the issue of the new stock the company's capitalization will be increased to $3,300,000.

The company will erect a 150-ton mill. Favorabe developments have taken place recently at the mine. About 1,400 ft. of drifting to the west has been done, and in that length three chutes have been mercial trade. The total length of this ore is about 900 ft.

In the old workings on the 800-foot level some interesting diamond drill core results were obtained. Two diamond drill holes 300 ft. apart both cut a new vein. One of the drill cores showed one foot of ore that assayed over $600, and the total value across a sloping width of five feet was $53, both drill holes showed approximately the same values. The new ore parallels the former development and is located about 15 to 20 ft. to the south.

STEADY EXPANSION IN WAINWRIGHT AREA

Edmonton-Wainwright Well is Expected to Exceed 200 Barrels Daily

EDMONTON.—There is a steady expansion of activity in the Wainwright oil field. Edmonton-Wainwright No. 1, which was brought in some weeks ago, is turning out even better than was expected, and the estimated capacity of 200 barrels a day will be greatly exceeded once regular operations are started.

Edmonton-Wainwright's well No. 2 has brought in a supply of gas of 2,500,000 cubic feet daily, and a contract has been signed to supply the village of Irma over a period of years.

Western Consolidated well is now down 1,500 ft., and timber for well No. 2 has been shipped.

Emerald Oils No. 1 has been spudded in. Wainwright-Dome derrick is completed and drilling will be begun at once. Wainalta Oil Co., No. 1 timber has been ordered, and Wainwright Petroleum's derrick is completed and is ready to start. Maple Leaf has brought in a good supply of gas, and is contracting with Wainwright to supply gas to the town. A pipe line is about to be built. Mewasin Oil Co. has ordered timber for its derrick, and expects to begin operations on June 15. A brother of Pat Adams, well known Alberta oil field driller, recently visited the field from California, and was so impressed by what he had seen that he is now shipping three rigs from California to the Northern field.

MORE DRILLING ON DON ROUYN

MONTREAL.—As a result of the highly satisfactory showings that have been obtained from the diamond drilling already done on their No. 1 property in Rouyn Township, the Don Rouyn Company are now planning to put two more drills into operation, making three drills in all.

LEAD FIND REPORTED

In Leeds Co., near Westport, Ont., a body of $50 lead ore is reported to have been opened up by James Ryan, Bedford Tp. Parties from the Federal and Provincial mines department inspected the find recently. The property is 2,500 acres en bloc and there is water power close by.

DISCOVERY OF TIN IN SULLIVAN ORE VERY IMPORTANT

May Mean Great Deal to Smelters and Other Zinc-Lead Operators

From Our Own Correspondent.

VANCOUVER.—For the first time in the history of Canada, tin is being produced within her borders. Research work of experts of the Consolidated Mining & Smelting revealed the fact that the ores of the famous Sullivan mine carry tin in commercial quantities. As yet the company has not perfected a process whereby the tin can be refined, but attention is being directed to that end and there is every hope that shortly its production of tin will form a substantial part of the operations.

In the annual report of the department of mines just issued, Hon. William Sloan, minister of mines, says, "It has been known for some time that a small amount of tin occurs in the ores of the Sullivan mine, but until 1925 no attempt had been made to recover it. During the year successful arrangements were made to save the tin, which occurs as cashiterite, as a table concentrate from the mill treatment of the Sullivan ores. The following information has been received from the Consolidated Co., owners of the Sullivan mine:

Recovery of Material

"'The production of tin concentrates was incidental to other concentration. The recovery for the year amounted to 124 tons of concentrates, containing 13,000 pounds of tin. This material is of no commercial value until methods of reduction are perfected.'

"As this output of tin concentrate is at present stored for further treatment, it has not been included in the production figures for 1925, but will be valued and included when reduced to the metallic state or sold. This is the first record of the production of tin ore or tin concentrate in British Columbia and it is therefore a matter of particular interest."

Means Much to Others

The success of the Consolidated company in producing tin concentrates and the possibilities of still greater developments along this line will undoubtedly prove of great interest to the mining community of the province. Not alone at the Sullivan mine, but elsewhere in the province are known deposits of lead-zinc-iron ores which, there is every reason to believe, will be found containing tin in commercial quantities. It is reported that the success of the Consolidated company in recovery of tin from the Sullivan ore has been greater than would appear from the very statement it has made to the department of mines and that it has been definitely proven that hereafter tin will prove a most valuable product of the company and add materially to its annual income from its smelting and mining operations.

Do You Meet Mosquitoes in Moccasin Time Going Into the Red Lake Camp?

The good people of United States are getting some interesting information on Red Lake. Recently a Pittsburgh engineer, named Baum, told New Yorkers that gold wasn't to be had in commercial quantities, it only ran $10 to $17 a ton. The foolishness of such a statement is shown by the fact that Porcupine's average is under $9 per ton. Now comes another good one. E. B. Wilson, Scranton, Pa., tells the natives the mode of travel and equipment necessary to get into Red Lake. Some of his suggestions are good. He wrote the Mining Journal Press as follows:

"Sir—The Red Lake find has created a gold rush that is said to be equal to the one to the Northwest Territory, the Klondike, Dawson, and the Seward Peninsula. The first thing a prospector from the United States must do is to obtain licenses to prospect, fish, and hunt. The streams are fairly well stocked with fish. Just what he can hunt is problematic, but there are birds that are not always able to keep out of the way of a charge of shot, and to kill a stray bear or deer to keep from starving is probably admissable. Porcupine and possum are admissible game, and not half bad when properly prepared. I never could fancy them as a steady diet, especially the possum. The other eating supplies are flour and bacon. Ham is too easily worked into food and weighs too much, reducing the supplies to flour, soda biscuits, and pancakes. The prospector in northern Canada need not worry about the heat melting the bacon, as in Death Valley.

"The next thing to be considered is the moccasin outfit and material to sicken mosquitoes and black flies. In some parts of the United States when a man gets inoculated by mosquitoes they let him alone. In Canada they do not, but stay with him to the bitter end, from hatching time to freezing time. The drinking water is free from germs and no mountain fever need be feared, or chills and fever, unles pneumonia takes hold.

"Red Lake is about 1,200 miles from Toronto and 140 miles from the nearest railway station. However, prospecting is de luxe compared with the Northwest Territory, as airplanes can be hired at Detroit and Buffalo to take one to the lake in a little over a day. The next duty of the prospector is to hire an Indian cook and guide, or depend on getting lost, half starved, and worn out. This is a camping-out proposition, where travel is by canoe. The Indians are better paddlers, carriers, and canoemen on land and water than white men. The streams have rapids, which must be walked around."

MAY START FOLEY MILL

Some time before the end of June it is expected that the 150-ton mill on the Foley Mine at Mine Centre, near Port Arthur will be turned over. The mine has been opening out well at the lower levels.

Better Mining Shares Show Higher Tendency

Trading has been very light in mining shares, yet there has been quite a strengthening of prices among the better stocks such as Lake Shore, which sold over $11; McIntyre which is again above $25 and Hollinger which is quoted around $19.15, while Dome is also stronger.

It is rather difficult to find a reason for this strength, other than perhaps the old one, that these shares are being closely held and when a buying order of any kind comes on the market, there is certain to be a strengthening of prices until it is out of the way.

RENFREW ZINC PROPERTY DEAL

English Interests are Said to Have About Concluded Deal

It is reported from Ottawa that English interests are about to close with Ottawa Valley mines for a zinc property near Renfrew. It is three miles from Renfrew and was formerly owned by Joseph Legree and William Dean, Renfrew merchants. The company owns about 400 acres and has already completed considerable diamond drilling which is said to have shown excellent results.

According to Pres. E. Green, of Ottawa Valley Co., the British company will start an extensive diamond drilling campaign at once and whether a 100 ton or a 300 ton mill will be erected will depend on the result of the drilling operations.

ACTIVE DEVELOPMENT ON DUPUY

MONTREAL. — John A. Brownlee, president of Dupuy Mines, Limited, whose property is located in Desmeloizes township, northern Quebec, is leaving for the scene of the company's operations with a view to commence active development work. The company's shares were recently listed on the Montreal Mining Exchange and have been moderately active in the trading.

The company has received advices that dip needle prospecting has been going on actively on properties contiguous to Dupuy Mines, and that the results have been of an encouraging character.

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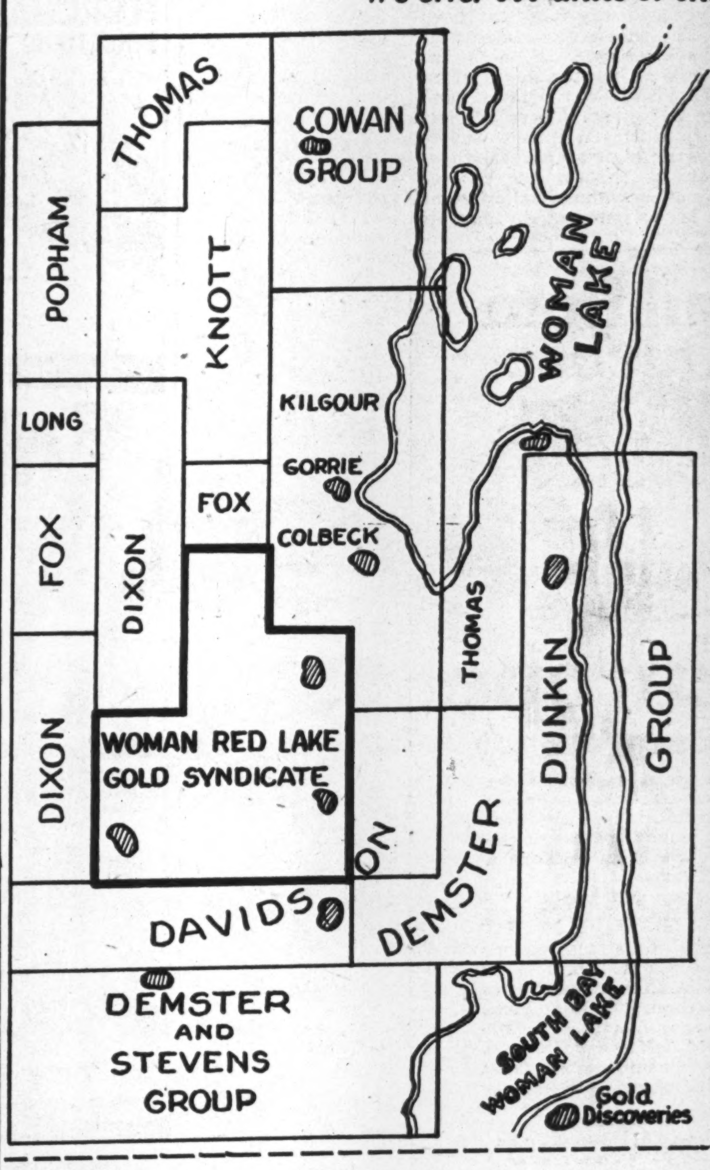

The bulk of the original offering of these units has been taken up, providing funds to allow for work to be launched as soon as plans are made. But this small block remains.

Syndicate holds 360 acres in Woman Lake District of Red Lake. It is the most important discovery made in the area which to-day is solidly staked. Tommy Powell, the prospector who was responsible for the big Quebec rush, was the first staker in Woman Lake.

The zone of mineralization has been opened on surface for a width of 115 ft. and good commercial values were obtained in samples taken at intervals across the face. Values ran as high as $57.00 to the ton.

First Purchasers of Howie Red Lake Shares Made Big Profits

Big money is sometimes made in a mere gamble. Those who buy first are the ones to get the big profits.

Those who purchased Howie Red Lake Syndicate shares when they first appeared made tremendous profits. They are now selling around $300 each.

Woman Red Lake Syndicate shares are speculations of merit that promise a good run for the money with big profit possibilities.

Easton Shaw
Investments
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New York City
1503 Royal Bank Bldg., Toronto

Easton Shaw,
280 Broadway, New York, or 1508 Royal Bank Bldg., Toronto.
Please forward me details of Woman Red Lake Syndicate.
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FOREIGN FUEL IMPORTS LESSEN WEST'S OUTPUT

Drumheller Could Supply Much More Coal to Greater Markets

A considerable market on the Canadian prairies might be most profitably supplied with fuel from the Drumheller coal field, which would replace foreign importation of from 5,000,000 to 7,000,000 tons annually, transported long distances with locally produced coal.

It is almost incredible that situated as Drumheller is in the midst of the world's greatest coal fields, so little attention is paid by the business and financial interests of the West to one of the greatest natural assets in the Dominion and such as possessed by no other town in Canada.

Coal mines, properly equipped and operated, show a net profit of anywhere from $1 per ton and upwards of coal produced and sold. Add to this the cost of mining and transportation, the amount of money which would be left in the country locally from producing the amount of coal now imported would probably amount to $15,000,000 to $25,000,000 a year, which it must be conceded, would be a very handsome amount to add each year to the provincial business income.

Another side of the question is that the labor cost of production, a very considerable part of the cost of transportation and all of the profit of the imported article which to be provided for by the people of the prairie provinces, amounting to only slightly less than the figures above-mentioned goes out of the country to enrich foreign producers.

It is a poor way to build up a country's business, this buying and importing millions of tons of an article which we have right at our doors—a superior article at that — sending the large sums representing its production out of the country for others to enjoy.

The consumption of coal is a continually increasing factor, and unlike the fluctuations in most manufactured products, there is always a permanent or more or less increasing demand for the article. So there can be little fear that with a good coal like this which will stand shipping and storing, there will not be a continued demand throughout the year for it.

But when we have dealt with the Western Canadian market we are only on the fringe of the possibilities for Western Canada coal.

The southern Alberta coal field, of which Drumheller is the logical centre, is within economic shipping distance of a population of over 20,000,000 people, in the States south of the international boundary lying nearest to this field, a market which consumes fully 100,000,000 tons of coal annually, considerable of which, of a poor quality, is produced locally, but the greater quantity is transported from eastern coal fields, which are on an average of from 600 to 1,200 miles farther away from the Alberta coal field.

DUNNINGS BUDGET SPEECH WAS ONLY PROGESS REPORT

(Continued from page 16)

had been spent on the National Transcontinental, Intercolonial and other lines, that are now being operated by the C. N. R. and the investment in which is not included in its capitalization.

Wipe Out Past Expenditures

Mr. Dunning seemed to feel that the solution was to consider the excess capitalization of the railway as an expenditure chargeable against the people as a whole rather than against those who use the Canadian National Railways and while he said there might be a scheme for reorganization of C.N.R. finances he did not definitely promise it.

All in all, Mr. Dunning's first railway speech is regarded as purely a report of progress. It was cheery enough since it showed up some improvements, but it also indicated that the railway problems of Canada are still unsolved. But no one expected the versatile ex-premier of Saskatchewan to come down to Ottawa and solve in a few weeks what has puzzled other men for years.

Keeping C.N.R. Out of Politics

Perhaps Mr. Dunning's speech was not the most significant railway discussion of the past week. The day's debate in the house when a railway and shipping committee was appointed showed clearly that there is a large group of members in the House of Commons who consider the Canadian National Railways as only a department of the government, and therefore subject to their public scrutiny and analysis to the final degree. All through the session there have been questions asked as to the salaries of officials of the C.N.R., prices paid for ties, etc., and with monotonous regularity the government has replied to the effect that the management of the Canadian National Railways considers it not in the public interest to reveal the information. Where the line is to be drawn between what is in the public interest and not in the public interest is the point that is causing trouble. Fortunately, the leaders of the two parties are virtually in agreement, but it is hard to keep the back benchers in check, and a large number of them will likely continue to embarrass the government by asking questions. But they will be wasting their breath. Sir Henry Thornton considers the C.N.R. a business institution, and may be expected to tell the members what he wants them to know, and not tell them what he does not want his competitors to know.

Mining Inquiries

Millcreast

W. E. B., Ontario.—How does Millcrest look as a speculative investment?

Millcreast has a very well located property in the producing section of Gowganda Camp. The property looks to have excellent chance.

Has Ore to Refine

A. A., Fort William, Ont.—I am a mine owner and have considerable high-grade ore running as high as $5,000 per ton. I would like to get in touch with a reliable mining company refining silver ores for outsiders.

Temiskaming Testing Laboratories, Cobalt, owned by Ontario Government may be able to handle your ore; Nipissing Mining Co., Cobalt, has a custom's mill while Delora Smelting and Refining Co., Delora, Ont., may also be interested. Better write both and see which will make the best deal.

Foley Gold Mines

E. S. H., Ontario. — What progress has been made with Foley Mine? What progress has been made with the mill they were to have had in operation? I bought shares two years ago.

Foley Gold Mine of Mine Centre near Port Arthur, has been making fair progress in opening up the mine at depth. The impression we have is that they were a little premature in going ahead with a mill as the mine was not ready for a mill; this fact has been demonstrated by their increased efforts to open out ore bodies at a lower level and I believe that their estimates of ore for the upper levels were considerably out. The lower levels are reported looking better with wider ore bodies.

Archean Development Co.

Reader, P. E. I.—Have you information on Archean Mines Development which is said to have some large holdings in Quebec? It looks to me as if the venture is very conservatively capitalized.

Archean was organized by Dr. R. Harvie, late of the Geological Survey. Dr. Harvie spent a very considerable time in northwestern Quebec preparing geological maps on that area. He came across a number of very interesting geological situations and when his task was completed for the geological survey of Canada he resigned his position and returned to the field to do some active prospecting. He took up a large acreage in Clericy Township, and the reports of intensive prospecting done up to date, indicate the presence of large copper bodies with a gold content that carry commercial values over good widths. Those behind the executive are well regarded and there is a feeling that the operators are proceeding along sound lines.

Serra S. Bruno Mining Co.

Reader, New York.—Do you know anything of Serra S. Bruno Mining Co. of Trout Creek?

Trout Creek is in Parry Sound district, just on the fringe of Northern Ontario, a section where there has never been any important mining development. Parry Sound is a town of 3,500 population, and the directors are residents of that place or farmers residing nearby. A little better than one-fifth of the company's capital stock has been given for the claims which have evidently not yet been patented. The prospectus states that samples have assayed as high as $27.50 in gold to the ton and a small amount of silver, but lengths and widths are not given. There are lots of places in Northern Ontario where gold values as high as several thousand dollars to the ton are secured and still is of no commercial value as the gold is not present in payable quantities. We would like to see a good payroll put on some properties in this vicinity, as the country has possibilities for gold mining.

Several Alberta Oil Stocks

Reader, Ottawa.—A friend has asked me to get her information on the following oil stocks: Great West Oil Lands, Western Petroleum, Herron and Elder, Federal Oil and Gas Corporation, Alberta Petroleum Ltd., United Oils of Alberta, Central Oil and Gas and Producers Oil and Gas.

Great West Oil Lands does not appear in any available list, but there is a Great West Oil Limited of Calgary.

Western Petroleum Co., Ltd., does not appear in the active lists of any of the companies.

Herron-Elder Gas & Oil Development is insolvent.

Federal Oil & Gas Corporation, Ltd., is not listed but there is a company Federal Oils.

Alberta Petroleum, Ltd., is insolvent.

United Oils of Alberta is not shown but there is a Company United Oils which has very excellent holdings and whose stock is very valuable.

Central Oil & Gas and Producers' Oil & Gas do not appear in any of the lists of good or insolvent companies in my possession.

The best way for you to advise your friend to handle her stocks would to write to some reliable brokerage house in Calgary.

Bloom Lake Consolidated

Reader, Main Road.—I have been offered shares in Bloom Lake Mines. What are the chances?

S. C., Streetsvile.—I like the looks of Bloom Lake Consolidated Mines, but would like your views to check up my own.

Chicago.—I would like to get some information regarding Bloom Lake Consolidated Co., which I understand holds some gold and silver properties. Could you tell me anything of the merits of these properties?

Bloom Lake Consolidated Mine has properties in Matachewan gold area, which have been reported on by Lewis D. Hontoon, New York geologist, and his report should be available. The companys' silver properties in Gowganda Silver Camp seem to have possibilities. There is a large acreage that obviously has been subject to a tremendous movement and glacial action, the geology is satisfactory, while the whole surface is intersected by innumerable veins of various widths and lengths, the majority showing leaf silver, nickolite, Cobalt and Bloom. Some of the main veins are strong, good width and show on surface to great length. The property seems to justify spending considerable money, to prove whether or not there is a mine there.

Mineral Find on Farm

Northerner.—My partner and I made a valuable mineral find on a farmer's deeded property. We don't know if the owner has the mineral deed or not. What is the best plan to find out, so as to secure the reward of our find?

In regard to the mineral find which you state you and your partner have made, you should take the matter up with the Crown Lands Officer in your district—you don't need to reveal the spot of your find—and find out from him whether or not the mineral rights belong to the owner of the surface rights, or if the claims are available for staking. He could tell you very quickly. You can guard yourself perhaps by asking about the position of innumerable blocks and having the one that you want included in the list. This would not excite any suspicion because as you doubtlessly know news of reported mineral finds have a way of spreading very rapidly.

CANADIAN PACIFIC RAILWAY

Week end.	1926	1925	Change
May 21	$3,622,000	$2,654,000	+$968,000

The Consolidated Mining and Smelting reports ore receipts at the Trail Smelter, for the period May 8 to May 14, inclusive, amounting to 11,917 tons, of which 8,283 tons were produced by the company's mines, and 3,634 tons by other mines. For the year to date the total is 200,511 tons.

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C. G. M. M. Has Operated At Profit This Year

From Our Own Correspondent.

MONTREAL.—For the four months ending April 30, 1926, the financial result from the operations of the Canadian Government Merchant Marine show a net operating profit of $19,007, as compared with an operating loss last year of $581,547, being an improvement in net operating earnings amounting to $600,555.

The figures covering the first four months of the year follow:

	1926	Increase
Gross revenues	$3,365,273	$617,012
Expenses—		
Operation	3,021,955	119,565
Overhaul	112,437	*106,355
General	211,873	3,248
Total expenses	$3,346,266	$ 16,458
Profit, 1926		$ 19,007
Loss, 1925		581,547

*Decrease.

HIGH GRADE LA ROSE FIND

A new four inch high grade vein is reported on the 880-ft. level of the Violet property of La Rose.

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REPUTATION is a matter of prime importance for the office of trusteeship. The reputation of this Corporation as a Trustee rests on the foundation of strict adherence to conservative policies in the investment of trust funds—investing only in securities as are authorized by law for Trustees—avoidance of speculation of every kind—carrying out the provisions of Wills and Trust Deeds according to their terms and prompt accounting at regular intervals to all parties interested.

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The TORONTO GENERAL TRUSTS CORPORATION
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